

O-005-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2340250 BY  
RAYMOND MORRIS GROUP LIMITED TO REGISTER  
THE TRADE MARK THE COMPANY SHOP IN  
CLASSES 9, 16, 35, 36, 38, 39, 41 & 42**

**AND**

**IN THE MATTER OF OPPOSITION NO 92756 BY  
C S BUSINESS LIMITED**

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## **BACKGROUND**

1. On 11 August 2003 Raymond Morris Group Limited applied to register the mark THE COMPANY SHOP for the following goods and services:

### **Class 09**

Computers; computer hardware; computer software; computer programs; CD ROMs; publications downloadable from the Internet; telecommunication apparatus and instruments; accounting machines; calculating machines; tapes; discs; audiovisual apparatus and instruments; copying apparatus and machines; parts and fittings for all the aforesaid.

### **Class 16**

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printer's type; printing blocks; printed publications; books; magazines; newsletters; periodicals; brochures; catalogues; cards; manuals; transparencies; drawing materials; graphic prints, graphic representations, graphic reproductions; parts and fittings for all the aforesaid goods.

### **Class 35**

Company secretarial services; tax services; business management; business administration; office functions; company information; business introductory services; business information; advertising services; promoting the goods and services of others; compilation, provision and analysis of business information; business research; accounting services; provision of reports relating to accounting information; commercial research; commercial information; business information relating to county court judgements;

marketing services; business investigations; economic forecasting; statistical information; database services; recordal of data; data collection; data analysis services; database management services; database services for business; database stock control; data collection services for others; data compilation for others; data handling services; data management services; data preparation services; data processing services; data processing verification services; data retrieval services; data storage services; data transcription services; data verification; exhibitions relating to business; the bringing together, for the benefit of others, of a variety of goods and service providers enabling customers to conveniently view and purchase those goods from a retail computer and electrical store or from a retail bookstore or a store specialising in goods relating to companies or entertainment or education, or from an artists materials store or from a stationers, or the aforesaid by mail order catalogue or by electronic means, or by telecommunication, or from an Internet web site; the sale of films and producing film, to order; consultancy, information and advisory services to all the aforesaid including backup and helpline services, all relating to the aforesaid.

### **Class 36**

Insurance services; financial affairs; monetary affairs; real estate affairs; financial consultancy; financial services; financial analysis, financial evaluation, financial appraisal and reporting; financial information; credit assessment, credit ratings and information; investment services; banking services; financial information, venture capital services; factoring services; share trading; share and financial brokering; financing of films, and audio and visual productions; real estate information; fiscal assessment; stock exchange quotations; financial and stock market information; information on bonds and warrant bonds, exchange and investment trusts; information services relating to finance and insurance; economic research services; electronic funds transfer; tax estimates; verification of transactions including those conducted on the Internet, or by electronic means; consultancy, information and advisory services to all the aforesaid, including backup and helpline services, all relating to the aforesaid.

### **Class 38**

Data communication subscriptions; subscriptions to databases; subscriptions to database servers; subscription to a data transmission or computer network provider, including global communication network, consultancy, information and advisory services to all the aforesaid including backup and helpline services, all relating to the aforesaid.

### **Class 39**

Transport; packaging and storage of goods; storage services; storage of information; storage of documentary records; storage of computer software and computer programs; consultancy, information and advisory services, including backup and helpline services, all relating to the aforesaid.

### **Class 41**

Film brokerage, namely exploitation of film productions, production of artwork for animated film, film production, cinematographic film studio services, film distribution, film editing and film rental and leasing; archiving of data and documents; secure archiving of electronic media; archiving of electronic documents and electronic information; secure archiving, consultancy, information and advisory services to all the aforesaid including backup and helpline services, all relating to the aforesaid.

### **Class 42**

Industrial analysis and research services; legal services; research and analysis of data relating to county court judgements; company formation and registration services; intellectual property services; trade mark searching and registration services; legal services; company secretarial services; domain name services; registration of domain names; hosting of Internet web-sites; web site hosting; web site design services; leasing access time to a computer database; artistic and graphic design services; electronic commerce design services; licensing of intellectual property rights; design, consultancy, advisory and technical support services, including backup and helpline services, all relating to the aforesaid services.

2. Opposition was originally filed in the name of The Company Shop. The applicant challenged a number of aspects of the opposition in the form in which it had been filed. Inter alia, it submitted that 'The Company Shop' was an organisation incapable of owning property. When the Registrar indicated that this was considered to be a correctable formality the applicant asked to be heard. The Hearing Officer appointed to hear this interlocutory point determined that the opponent should be given an opportunity to file a replacement TM7 to correct a number of deficiencies in the documents launching the opposition including the above-mentioned point. A costs order was made against the opponent to take account of the expense and inconvenience incurred by the applicant. The full decision can be found under reference BL O/088/05. No appeal was lodged against that decision. One of the consequences of that decision is that the opponent is now shown as CS Business Limited.

3. The amended statement of grounds discloses a single ground of objection under Section 5(4)(a) based on the opponent's use of THE COMPANY SHOP since 1994. The objection is raised against the following services in Classes 35, 36 and 42.

### **Class 35**

Company secretarial services; company information; business introductory services; business information; compilation, provision and analysis of business information; business research; provision of reports relating to accounting information; commercial research; commercial information; business information relating to county court judgements; business investigations; statistical information; the bringing together, for the benefit of others, of a variety of goods and service providers enabling customers to conveniently view and purchase those goods from a retail computer and electrical store or

from a retail bookstore or a store specialising in goods relating to companies, consultancy, information and advisory services to all the aforesaid including backup and helpline services, all relating to the aforesaid.

**Class 36**

Financial services; financial analysis, financial evaluation, financial appraisal and reporting; financial information; credit assessment, credit ratings and information; financial information.

**Class 42**

Research and analysis of data relating to county court judgements; company formation and registration services; intellectual property services; trade mark searching and registration services; company secretarial services; domain name services; registration of domain names; hosting of Internet web-sites; web site hosting; web site design services.

4. This list of services represents a partial attack on the services specified by the applicant. In response to questions on the Form TM 7 inviting an opponent to indicate the goods and services that form the basis of its earlier right (and date when first used) the opponent again referred to the above list.

5. The applicant filed a counterstatement. The amended version that is before me is dated 28 February 2005. It was received in the Office on 2 March 2005 after the Hearing Officer had communicated her decision (by letter dated 24 January 2005) but before the final statement of reasons (dated 31 March 2005) was issued. The counterstatement in its amended form rehearses a number of the applicant's concerns about the opposition filed in the name of the Company Shop. I regard these issues as having been disposed of as a result of the interlocutory hearing and in the absence of an appeal against the outcome.

6. There is, however, one further issue that I should briefly refer to. The opponent's initial attempt at amending the Form TM7 in line with the Hearing Officer's decision at the hearing on 24 January 2005 went further than the Hearing Officer had intended. As a result the Casework Examiner wrote to the opponent on 15 February 2005 in the following terms:

“On reviewing your amended TM7 the Hearing Officer has noted that amendments have been made to the grounds brought under Section 5(4)(a) and other information has been included that was not present in the original Form TM7. The Hearing Officer allowed the period of 7 days in order for all the correct information, provided in the several forms originally submitted and the confirmation letter of 15 November 2004, to be amalgamated into one form. This was not an opportunity for the information given in relation to the grounds brought to be amended.”

7. The Form TM7 and statement of grounds that I have referred to above are, as I understand the position, the correct versions for the proceedings. I note, however, that the applicant's written submissions, in dealing with the grounds of opposition (and the

papers supporting the ground) refer to certain documents that are not before me in these proceedings. The confusion has, I think, arisen because of the events described above resulting in the Casework Examiner needing to take corrective action on the instructions of the Hearing Officer. I put this on record for clarification purposes in case the matter is the subject of an appeal.

8. So far as the Section 5(4)(a) objection itself is concerned the opponent is put to proof of its claims and in particular where the earlier right has been used. The applicant asks that the opposition be refused.

9. Both sides filed evidence in this case. Neither side has asked to be heard. Written submissions have been received from Bison River Ltd on behalf of the applicant. I should just add that the Registry wrote to the parties on 18 October 2006 inviting them to consider using mediation as a means of resolving this dispute. The opponent did not respond to this invitation. The applicant indicated that it did not wish to pursue mediation in this instance.

10. Acting on behalf of the Registrar I give this decision.

### **Opponent's evidence**

11. Kenneth Redpath, the Managing Director of CS Business Limited has filed a witness statement. He says that the trade mark THE COMPANY SHOP was first used in the United Kingdom in 1994. He goes on to detail the services on which the mark has been used and the dates of first use. I will set these out verbatim because they differ from, or are a refinement of, the claim made in the statement of grounds – see paragraphs 3 and 4 above. (I believe the statement of grounds may have erroneously reproduced the objected to services of the applicant rather than properly itemising the opponent's own claim. The services are:

#### **Class 35**

Company secretarial services, business information and company information -1995.

#### **Class 36**

Financial information, credit assessment, credit ratings and information, research and analysis relating to county court judgments - 1995.

#### **Class 42**

Company formations and registration services, trade mark searching and registration services, secretarial services, domain name services, registration of domain names, hosting of internet web-sites, web site design services - 1994.

12. In support of the generality of the claim Mr Redpath exhibits the following with explanatory comment:

“**Exhibit KR1A** which is a copy of an advertisement in the Northern Ireland edition of Yellow Pages for 1997/98 advertising ‘BUSINESS INFORMATION’. The same service was advertised in earlier editions but there are no copies available.

**Exhibit KR1B** which is a letter from customer (chartered certified accountant) stating that they have been using the services of The Company Shop for ten years for the provision of company formation and ‘SECRETARIAL SERVICES’

**Exhibit KR2A** which is a copy of fax from client ordering BANKRUPTCY SEARCH .

**Exhibit KR3A** which is a letter from client dated 7 April 1995 in relation to company formed in Scotland.

**Exhibit KR3B** which is a letter from client (chartered accountants) stating that they have been using the services of The Company Shop for company formations and other related activities for approximately 10 years.

**Exhibit KR3C** which is a letter from client (solicitors) stating that they have been using the services of The Company Shop since 1995.

**Exhibit KR3D** which is an invoice from The Patent Office dated 28 November 1997 for application of trade mark.

**Exhibit KR3E** which is a letter from client (chartered accountant) to The Company Shop 2 November 1994

**Exhibit KR3F** which is an article in Northern Ireland business publication (BusinessEYE) from 2004.”

13. Use is claimed throughout the United Kingdom. Mr Redpath expresses the view that “THE COMPANY SHOP is well known by the accountancy and legal practices and general business fraternity in Northern Ireland and also by other GB based formation agents and certain specialised agents/practices that use our services.”

#### **Applicant’s evidence**

14. Jeanette Pauline Wood, a Director of RM Trade Marks Ltd, a subsidiary of the applicant group, has filed a witness statement. Her witness statement refers to four exhibits, JPW1 to 4. Helpfully, a contents list has been provided detailing the individual documents contained within the exhibits.

15. Ms Wood firstly sets out the corporate history and structure of the group together with copies of incorporation and change of name certificates (Tab 1 of Exhibit JPW1). She also give details of various trade mark registrations for RM The Company Shop with a hexagon device (Tab 2 of Exhibit JPW1).

16. Ms Wood goes on to explain the history of THE COMPANY SHOP. Between August 1993 and August 2005 RM had an outlet under this name at 81 City Road, London EC1 in close proximity to Companies House in City Road. Material relating to this is at Tab 4 of Exhibit JPW1.

17. THE COMPANY SHOP is said to have provided clients with direct access to all of the applicant group's goods and services. Services provided under the Business Information Head are as follows:

- UK Online Company Information database (2.5 million companies)
- UK Sole Traders and partnership database (1.5 million firms)
- Trade Mark database
- Companies House direct document download (50 million documents)
- Specialist business research unit
- International Company documents
- Worldwide Online Instant Reports (83 million companies)

Goods and services provided under the Registration Products Head are as follows:

- UK and worldwide company registration
- Worldwide offshore company registration
- Worldwide trade mark registration
- Worldwide brand management and protection
- Worldwide domain name registration

18. Turnover figures for the applicant are given for the years 1997 to 2005 increasing from £1.4 million to £2.3 million. Separate accounts for THE COMPANY SHOP are only available for the following years:

<b>YEAR</b>	<b>£</b>
2002	953,748
2003	959,508
2004	873,221
2005	1,006,128

19. Ms Wood estimates that the average turnover for work generated through THE COMPANY SHOP for the period 1995 to 2005 was between 38.9% and 46.1% of the applicant's turnover.

20. It is estimated that 5% of turnover exclusive of VAT is spent on promoting the applicant's trade marks throughout the UK though no separate information is provided in relation to THE COMPANY SHOP. Based on Companies House and the applicant's own records the applicant's market share in company formations is said to be between 0.5% and 1.2% of the total UK market per annum.

21. Tabs 3 and 4 of Exhibit JPW1 illustrate how the mark has been promoted through direct marketing, mail shots, information leaflets to new enquiries at exhibitions, participation in exhibitions, press and media articles, billboards, promotional products and through partner organisations such as Butterworth's and Clearly Business.

### **Opponent's evidence in reply**

22. Mr Redpath has provided a witness statement in reply to Ms Wood's evidence. In the main this consists of submission which I take into account but do not propose to



summarise here. There are in addition the following additional items of documentary evidence contained in Exhibit KR4:

KR4A - a photo of 'The Company Shop' 79 Chichester Street, Belfast.

KR4B - a domain name search in relation to [www.thecompanyshop.co.uk](http://www.thecompanyshop.co.uk) which was registered on 27 July 1998.

KR4C - a letter from RM Trade Marks Limited dated 8 October 2003 about the parties' respective interests and rights.

KR4D - statistics showing in units the number of company formations by the opponent between 1995-2001.

23. KR4D is introduced for the purposes of a comparison of the parties' trading activities in response to Ms Wood's evidence. I reproduce the substance of the table below:

	1995	1996	1997	1998	1999	2000	2001
<b>JAN</b>	0	9	25	38	52	66	114
<b>FEB</b>	4	15	51	44	54	83	101
<b>MAR</b>	13	15	33	54	58	104	102
<b>APR</b>	6	18	29	46	71	71	65
<b>MAY</b>	12	17	27	50	65	74	65
<b>JUN</b>	3	20	31	39	81	66	88
<b>JUL</b>	5	13	37	36	60	42	47
<b>AUG</b>	6	20	35	58	61	65	67
<b>SEP</b>	2	14	30	67	70	60	57
<b>OCT</b>	9	16	49	53	68	78	92
<b>NOV</b>	8	23	33	52	89	72	64
<b>DEC</b>	3	14	27	29	45	51	49
<b>TOTALS</b>	71	194	407	566	774	832	911

24. I note also the following observation by Mr Redpath:

"It should be noted that CS Business principally trades in a much smaller population 1.7 million (N Ireland) to 10 million? (Greater London Area) As stated in our evidence of 6 September 2005 we hold over 40% of the Northern Ireland market (refer Exhibit KR3F Tony Nicholl)."

## DECISION

25. The requirements to succeed in a passing off action are well established and have been set out by Geoffrey Hobbs QC, sitting as the Appointed Person in *Wild Child Trade Mark*, [1998] RPC 455 as follows:

“A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] A.C. 731 is (with footnotes omitted) as follows:

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

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

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

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

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the

defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

26. The first issue I need to decide is whether the opponent has established goodwill and, if so, the nature and extent of the reputation relied on. In *Reef Trade Mark*, [2002] R.P.C. 19 at page 387 Pumfrey J observed that:

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

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

27. However, the decision of Professor Annand, sitting as the Appointed Person, in *Loaded Trade Mark* BL O/191/02, is a reminder that the *Reef* guidance should not be read in too prescriptive a manner and that regard must be had to the totality of the evidence.

28. The opponent’s evidence in chief (see paragraph 11 above) claims starting dates in 1994 and 1995 for the various services said to be provided under the sign THE COMPANY SHOP. The evidence in chief is not, in my view, well directed at substantiating the generality of the claims. There is a problem with a number of the exhibits which are in the form of ‘To whom it may concern’ letters (Exhibits KR1B, KR3B and KR3C). The letters appear to have been solicited from clients for the purpose of these proceedings and should in my view have been in proper evidential form complying with Rule 55 of The Trade Marks Rules 2000 (as amended). These letters can be given little, if any, weight. I merely note that they are at least consistent with the generality of the opponent’s claim and the remainder of the evidence.

29. The earliest documented use is a letter of 2 November 1994 from Grant Thornton, Chartered Accountants, (KR3E), returning various company forms to The Company Shop. There is a further such letter dated 7 April 1995 at KR3A, this time from Jones Peters another firm of Chartered Accountants. Exhibit KR1A is the only example of advertising material. It is drawn from Yellow Pages, Northern Ireland 1997/8. Also from 1997 is a copy of a Patent Office receipt for a new trade mark application (KR3D) filed by The Company Shop (whether for itself or a third party is not clear).

30. The evidence in chief contains two more recent pieces of information. The first is a reminder fax from a firm of solicitors in Manchester (KR2A) relating to a requested bankruptcy search.

31. The other is an article from Yell (Northern Ireland Yellow Pages) about The Company Shop. The article consists of an introduction to the business and the view of four experts. The article is under the heading ‘Eye on business clinic’. The article is not dated but Mr Redpath places it in 2004. That is after the relevant date but the information contained in the article is also a historical view of the business. I note the following from the introduction:

“The Company Shop based in central Belfast was set up almost 10 years ago, and specialises in company formations, trademarks and company search work on behalf of a range of customers.”

and

“The business has been grown, according to Director Des Palmer, on providing a service better than its competitors and on being visible. Physically, The Company Shop could hardly be better located – next door to the Companies Registry.

Turnover and market share have grown steadily, with a larger jump since 2001. The firm’s principal competitors have been in business since the 1960’s but it is evident that The Company Shop has won over business in recent years.

Other competitors are also in the market, but The Company Shop estimates its own market share at a healthy 45%. The firm has a small team of four employees.”

32. The first member of the panel of experts, Mr Nicholl, says inter alia:

“The Company Shop is a business known well by all practising solicitors and accountants in Northern Ireland, providing a much needed service to both professions.

The Company Shop has approximately 45% of the local market and specialises in the formation of companies in Northern Ireland, the Republic of Ireland and Great Britain and in the provision of company search services. Turnover in business has increased 58% in the past four years and company formation in the same period increased by 98%.

33. The other three contributors write in similar terms of The Company Shop’s activities and position in the market place. I note that repeated reference is made to a 45% share of the local market for company formations. It would seem that this market share figures comes from The Company Shop’s own estimate. To that extent it is a self-serving piece of evidence. That is not, of course, to say that it is wrong – merely that it is not an independently verifiable figure. On the other hand the applicant has not produced countervailing evidence to cast doubt on the validity of the claim.

34. Somewhat surprisingly, it was not until the evidence in reply round that the opponent produced rather more concrete information about its business. In particular there is a (2001) photograph of the shop front and a month by month analysis of company formations for each of the years 1995 to 2001. The figures given are consistent with The Company Shop being a start up operation in 1994/5 but one that has grown steadily over the years.

35. The opponent’s case is not well documented and I have hesitated as to whether there is sufficient material for me to be able to reach a concluded view on the question of goodwill. In *Hart v Relentless Records Ltd*, [2003] F.S.R. 36 Jacob J (as he then was) held that:

“In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while.

It was an unregistered trade mark right. But the action for its infringement is now barred by s. 2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, Section 1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see *per* Upjohn LJ in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.”

36. The claimant in that case had unsuccessfully tried to promote a record company under the name Relentless but had never got any further than issuing four promotional tracks to DJs along with “the odd mention on the radio and some ephemeral mentions in a few magazines. In all cases what would have mattered most is the tracks and performer, not the company name.....”. This was held to be minuscule reputation.

37. The applicant submits that the opponent has not demonstrated a reputation and in particular that the evidence does not support the length of use claimed, nor is there factual evidence of the geographical spread of any alleged use, the intensity of any use or the alleged market share in relation to all the services claimed (I take this latter to mean other than in relation to company formation work). The applicant points to the absence of turnover or advertising figures.

38. It would have assisted the opponent’s case if there had been a fuller statement about the size and nature of the business. However, the applicant has done nothing to cast doubt on the company formation figures in Exhibit KR4D. I regard that exhibit as supporting the claim to a consistent and growing trading presence over at least a 7 year period. It should not be held against the opponent that it has chosen to demonstrate its trading claims by reference to the end product of its activities rather than more traditional turnover or advertising figures. Furthermore the trading information that has been given is broadly consistent with the publicly stated position in the Yell ‘Eye on business clinic’ article in terms of the length of trade.

39. Even allowing for my concern about placing undue reliance on the 45% market share claim it is scarcely conceivable that the business experts acting as commentators on the business in the Yell article could have been induced to make the statements they do if they did not accept that THE COMPANY SHOP had an established and acknowledged presence in the marketplace. In short, whilst I remain of the view that the opponent’s claim could have been better substantiated, the evidence as a whole persuades me that the opponent enjoys goodwill in its chosen area of activity under the mark THE COMPANY SHOP (no other sign being evident).

40. I must, however, comment further on the nature of the business in terms of the services provided, the customer base it serves and the geographical area it covers. Christopher Wadlow’s, *The Law of Passing-Off* (Third Edition) at 3-80 recognises the

difficulties that can arise in relation to the goodwill of service industries and in particular the issue of territorial scope of their goodwill:

“The definition of goodwill in terms of the presence or absence of customers in the jurisdiction raises few problems when the business in question relates to the production or supply of goods which can physically be traced from their place of origin to the place where they are eventually consumed or put to use by customers. However, the definition may not lend itself to service businesses without further explanation and perhaps adaptation: in what circumstances can a service business located in one jurisdiction claim to have customers in another?”

Services may be grouped at least approximately into the following categories, according to whether the place for the provision of the services is defined in terms of the location of the supplier, the customer, both or neither. First, the services may be such that they can only be provided at the supplier’s fixed place of business; for example, an hotel, restaurant, theme park or hospital. Secondly, there are those that can only be supplied at the customer’s premises, such as pest control. Thirdly, services may be provided in a suitable but arbitrary place provided supplier and the customer or customers are there together, for example, live entertainment, personal tuition or osteopathy. Fourthly, and of increasing importance, the nature of the services provided may make no demands on the relative locations of customer and supplier, as with the provision of legal or professional advice.”

41. The evidence in this case supports the claim that the opponent has a reputation in relation to company formation work. In fact that is the only area of trade which has been substantiated to anything like an acceptable standard. There are a number of indications that THE COMPANY SHOP offers more than that – see, for instance, Exhibits KR1A, KR3F and KR4A advertising or referring to, inter alia, business information services, company accounts, company searches, fax/copying services, domain name registration, website design and hosting. But there is no information on the take-up of these or other services.

42. So far as the opponent’s customer base is concerned this appears to be solicitors and accountants whose clients need to set up and run companies as vehicles for their business activities. All the relevant letters exhibited to the opponent’s evidence in chief are from such business intermediaries. No doubt some other new and existing businesses will have made direct approaches to THE COMPANY SHOP, not least because of the shop front presence, but no disaggregated information has been supplied to enable me to gauge the extent to which this is the case.

43. Mr Redpath’s evidence supports that view of the matter. He says that “THE COMPANY SHOP is well known by the accountancy and legal practices and general business fraternity in Northern Ireland and also by other GB based formation agents and certain specialised agents/practices that use our services”. With one exception the letters exhibited to the opponent’s evidence in chief are from Northern Ireland businesses.

44. It is not surprising that it should be a primarily local trade. Northern Ireland has its own Companies Registry. The opponent is located next to it and is servicing a local need (local that is in the sense of the area served by the Companies Registry not in the corner shop sense). In the context of the discussion in Wadlow's cited above the driving force behind the location of company formation work is likely to be the presence of a Companies Registry serving the geographical area concerned. That is not to say that there will not be extra-territorial demand, but on the evidence available to me the opponent has not shown that it is servicing a more widely diffused customer base.

45. In this respect Exhibit KR2A is the only piece of evidence that the business has clients outside Northern Ireland. This faxed document is a reminder about a bankruptcy search that had been commissioned by a firm of solicitors in Manchester. That is altogether too slender a basis for establishing a wider geographical area of trade. Exhibit KR3A is said to relate to a Scottish company but the letter itself is from a firm of accountants in Co. Down. Moreover, there is no evidence that the opponent has actively solicited business outside of Northern Ireland.

46. To summarise I find that the opponent has established a goodwill based on providing a company formation service in Northern Ireland for mainly (but probably not exclusively) business intermediary organisations such as solicitors and accountants.

47. The opponent's trade commenced in 1994/5. One document (Exhibit KR3E) bears a late 1994 date but the evidence is too insubstantial to support a claim giving rise to goodwill earlier than 1995 at which point more concrete trading information becomes available. The applicant for its part says it had an outlet known as THE COMPANY SHOP in City Road, London from August 1993 onwards. The photograph at Tab 4i of Exhibit JPW1 contains a manuscript annotation dating it in September 1993. That gives rise to the question of whether the applicant had either an antecedent or at least concurrent right.

48. My understanding of the principles to be applied in determining the parties' rights in circumstances such as these is that the opponent's claim under Section 5(4)(a) has to be determined on the basis of its rights at the date of the application in accordance with Article 4.4(b) of First Council Directive 89/104 (the parties' relative positions may also need to be considered at the date of the act first complained of). The opponent could have had no such right if the applicant's use was itself protected in the UK from an earlier date or if, by the relevant date, the applicant had established its own actionable goodwill. Thus Oliver L.J. said in *Habib Bank Ltd v Habib Bank AG Zurich* [1982] RPC 1:

“Where you find that two traders have been concurrently using in the United Kingdom the same or similar names for their goods or businesses, you may well find a situation in which neither of them can be said to be guilty of any misrepresentation. Each represents nothing but the truth, that a particular name or mark is associated with his goods or business.”

49. Rival claims fall to be determined on the basis set out by Geoffrey Hobbs QC, sitting as the Appointed Person, in *Croom's Trade Mark Application* [2005] RPC 2:



“45 I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.

46. The statutory provisions carried forward in ss. 7, 11 and 12 of the Trade Marks Act 1938 reflected these principles: see *CLUB EUROPE Trade Mark* [2000] R.P.C. 329 at Pages 342 to 344. The principles themselves are, in my view, deducible from:

- (a) the right to protection conferred upon senior users at common law (see *Sprints Ltd v Comptroller of Customs (Mauritius) (CHIPIE Trade Mark)* [2000] F.S.R. 814 (PC) at pp. 818, 819 per Lord Clyde and *AL BASSAM Trade Mark* [1995] R.P.C. 511 (CA) at p. 522 per Morritt LJ);
- (b) the common law rule that the legitimacy of the junior user’s use of the mark in issue must normally be determined as of the date of its inception (see *J C Penney Co Inc v Penneys Ltd* [1975] F.S.R. 367 (CA) at p. 381 per Buckley L J *Cadbury Schweppes Pty Ltd v the Pub Squash Co Ltd* [1981] R.P.C. 429 (PC) at p. 494 per Lord Scarman; *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] F.S.R. 413 (CA) at page 462 per Oliver LJ pa. 471 per O’Connor LJ and p. 473 per billion LJ); and p.473 per Dillon L.J.; and
- (c) the potential for co-existence to be permitted in accordance with equitable principles (see *GE Trade Mark* [1973] R.P.C. 297 (HL) at pp. 325 et seq per Lord Diplock and *Anheuser-Busch Inc v Budejovicky Budvar NP* [2000] IP & T.617 (CA) at pp. 629 and 630 per Peter Gibson L.J., pp. 632 and 633 per Judge LJ and p. 637 per Ferris J.)”

50. The applicant’s claim is set out in Ms Wood’s evidence. The early photographs of the premises on City Road are said to be dated September 1993. The Companies House Annual Report and Accounts for 1994-1995 refer to the Company Shop as being its (i.e. RM Group’s) ‘latest venture’. The words THE COMPANY SHOP are clearly visible in both the photographs in Tab 4i. The shop front appears to have the RM logo above the words. The close-up of the shop window shows the words THE COMPANY SHOP with ‘Business Books’ and ‘Legal Stationery’ beneath. Other company names also feature. Thus, there is RM Trade Marks Limited with ‘Company Registrations UK & Offshore’ beneath it. A sandwich board outside the shop advertises ‘Company Formation’ along with ‘Law stationery, business books, computer suppliers’. The RM logo is also visible.

51. Consistent with the above, the promotional leaflets and brochures from that time (1994/5) give primary prominence to RM particularly in logo form. THE COMPANY SHOP does receive independent recognition eg in Tab 3ii but seemingly in the context of legal stationery and business books. Tab 3iii shows a variety of uses of the subject mark. I note that it is shown between or under RM logos but with an ® symbol against it in a way that implies it is a free standing registered mark. The associated business books order form asks for cheques to be payable to ‘The RM Company Shop’. I find that this early material was apt to send mixed messages to consumers about the status of THE COMPANY SHOP as an independent mark though on my reading of the evidence (and to the extent that it was a standalone mark) it was primarily being used in relation to business books and legal stationery. I observe, parenthetically, that the applicant’s Class 16 goods are not the subject of the objection by the opponent.

52. The 1996 brochure at Tab 3vi gives an indication as to how THE COMPANY SHOP was promoted in subsequent years (up to at least 1998 say). Beneath the RM logo are the words THE COMPANY SHOP followed by a series of sub-headings dealing mainly with various categories of business books. Beneath the heading ‘Company Formation Consultancy Service’ is the following:

“The Company Shop, situated a few doors away from Companies House, provides a personal interface between our customers and the services provided by The RM Group which include Company Registrations both in the UK and Offshore. In a consultancy environment our well trained staff are happy to spend time with clients to give advice on incorporating new Companies in the UK and Offshore. We can promise you a quick efficient and cost-effective Service.”

53. Subsequent to this (1998 and onwards) there is rather greater emphasis given to the Group’s online services (aRMadillo and RM online) though THE COMPANY SHOP is still referred to. Its services are said to be accessible using aRMadillo. However, on the basis of the exhibited material it enjoyed somewhat less prominence after about 1998 albeit that it still existed as a shop front and a separate business entity within the Group. I note for instance that Tab 4 xvii giving market share figures for companies sold relates to RM. There is no mention of THE COMPANY SHOP. Incoming correspondence as evidenced by Tabs 4xix and 4xxi is addressed to Ray Morris Company Shop though whether that is typical I cannot say.

54. My conclusions from all this material is that THE COMPANY SHOP was first and foremost used as the name of a retail outlet for business books and legal stationery but because it offered a shop front presence on City Road it also came to be a gateway to other services offered by the RM Group notably (but not restricted to) company formation services. It is more difficult to say how intimately customers would have associated the name THE COMPANY SHOP with the full range of services offered by the Group or whether it would have been understood that company formation services were provided by RM Company Services Limited and trade mark services by RM Trade Marks Limited and so on. Certainly the main thrust of the Group’s promotion has been directed at the RM name and logo. It provides a consistent and unifying theme to the business. On the other hand I am prepared to accept that some customers entering a retail outlet under the name THE COMPANY

SHOP would not have looked beyond that name when accessing services within those premises. Hence, THE COMPANY SHOP may for some customers be associated with company formation work just as much as (or instead of) RM Company Services Ltd or the RM name generally. But it is not necessary for me to resolve whether, or to what extent, consumers associate the name THE COMPANY SHOP with a range of services in addition to legal books and stationery even if it was possible to do so on the evidence.

55. Returning to the issue of seniority of user, the applicant has filed no invoice evidence or other material to indicate the geographical extent of its activities under the mark THE COMPANY SHOP or RM (logo) THE COMPANY SHOP. There are numerous references in Tabs 3 and 4 of Exhibit JPW1 to UK and overseas services but nothing to indicate that the applicant enjoys any trade or customers in Northern Ireland. On the contrary there are reasons for supposing that this is not the case. First and foremost RM's THE COMPANY SHOP like the opponent's has operated as a retail outlet and has many of the characteristics of a local service not least to the extent that it is there to facilitate dealings with Companies House close by and to draw in customers who are looking for professional assistance in their own dealings with Companies House. The Companies Registry in City Road serves England and Wales. There is no evidence that customers have sought out RM's THE COMPANY SHOP in relation to company formation work in Northern Ireland which has its own Companies Registry. I note too that even the Group's aRMadillo online service does not appear to cover Northern Ireland. The footnote to Tab 3viii refers to the system's ability to download report and account information "on any UK company registered in England, Wales and Scotland".

56. Christopher Wadlow's "The Law of Passing-Off" (Third Edition) says at 9-93 in relation to the expansion of trade into new geographical areas:

"It quite frequently happens that two or more businesses may use the same name, mark or get-up in different geographical areas without difficulties arising, but may come into conflict when one or both of them expands. The basic rule is that each may use that name, etc., in its home territory, but that established rights of use in one area do not provide a defence should one business expand into an area where the name denotes the other. There is little authority on what happens when two parties simultaneously expand into an area where the name is distinctive of neither of them, but it should be borne in mind that user which has been relatively localised or otherwise limited has still been found to justify an injunction covering an area much wider than that in which the claimant has actually traded."

57. This case seems to me to be a prime example of two businesses operating in different geographical areas largely without difficulty (I will come to a documented exception in due course) but where an expansion of activity, or notional expansion resulting from the trade mark application, has brought the parties into conflict. The opponent has seniority of user in Northern Ireland but has not established that its business has extended to any appreciable extent to Great Britain (that is to say England, Scotland and Wales). Likewise the applicant has established that it has a business which includes company formation work on mainland Great Britain. It is the senior user in this area.

58. The above extract from Wadlow's notes that a localised goodwill can be enough to prevent another party using a conflicting name or mark in a geographical area that goes beyond that in which a claimant or opponent has traded. The case that is usually relied on in support of that proposition is *Chelsea Man Menswear v Chelsea Girl Ltd* [1987] R.P.C. 189. The evidence in that case was that the plaintiff had opened three shops selling menswear under the name Chelsea Man but had further expansion in mind. The Court was not persuaded that an injunction circumscribed to the areas of the plaintiff's then actual trade would have been sufficient. Slade LJ also noted that in the clothing trade the label is a lasting reminder of the source of the goods and that labelled garments can readily move about the country with their wearers.

59. Other examples cited in Wadlow's notably *Cavendish House (Cheltenham) v Cavendish-Woodhouse* [1970] R.P.C. 234 and *A A Levey v Henderson-Kenton (Holdings)*, [1974] R.P.C. 617, turned on the adoption of conflicting names by retailers located in the same town.

60. Each case must be determined on its own merits. The evidence suggests that the opponent has gone about its business untroubled by the presence of the applicant operating under an identical sign (albeit one of modest distinctiveness) in an identical business area. That seems to me to have been possible because of the current geographical division of their activities and serves to emphasise that company formation and related services are strongly, if not exclusively, linked to the jurisdiction served by the Companies Registries concerned. That balance risks being disturbed by the notional expansion of activity represented by the application in suit. To put the matter at its most stark, if the applicant was to enter the Northern Ireland market under the name THE COMPANY SHOP then that would in my view amount to a misrepresentation with obvious damage to the opponent's established business.

61. In a letter addressed to Mr Redpath by the RM Group dated 8 October 2003 the applicant recognises the potential for confusion. The letter concerns a claimed instance of confusion arising from "... a client of CS Business chasing our clients for his company documents. This person contacted RM's Company Shop, as he believed he had placed an order for the aforementioned documents with them". The letter goes on to express the view that "One of our client's major concerns with your use of THE COMPANY SHOP is that you will damage their reputation, the example of confusion given previously is perhaps an indication of the potential of this".

62. I agree that such potential for confusion exists and would merely add that it works both ways if the parties become active in the geographical area of trade occupied by the other. In fact the potential for confusion seems so obvious that the fact that other instances of confusion have not come to light is in my view likely to be attributable to the geographical demarcation lines that appear to have existed hitherto.

63. That finding is sufficient for the ground of refusal under Section 5(4)(a) to be made out in the absence of a voluntary restriction of the application under Section 13. This provides that:

"13.-(1) An applicant for registration of a trade mark, or the proprietor of a registered trade mark, may –

- (a) .....
- (b) agree that the rights conferred by the registration shall be subject to a specified territorial or other limitation;

and where the registration of a trade mark is subject to a disclaimer or limitation, the rights conferred by Section 9 (rights conferred by registered trade mark) are restricted accordingly.”

64. It appears from the wording of the section that the Registrar or tribunal has no power to impose a territorial or other limitation but that an applicant or registered proprietor may agree to one.

65. In this case the opponent’s goodwill is local to Northern Ireland. This is a discrete geographical area. There is no evidence of any substance to suggest that the opponent has broadened its activities beyond Northern Ireland. As I have already suggested, that in turn reflects the nature of the services being offered and the close link with the Companies Registration Office for Northern Ireland.

66. I found earlier that the opponent enjoyed goodwill in the sign THE COMPANY SHOP in relation to the business of a company formation agent. The opponent claims to do other things but has given no more than a brief insight into other aspects of its business (see, Exhibits KR1A, KR3F and KR4A). It is also clear from the applicant’s evidence that company secretarial services, business information services, trade mark and domain name registration etc are business requirements that are commercially closely related to the provision of company formation services. Hence, the desire to offer a range or package of such services to businesses. There is nothing inherently surprising about this. Establishing a new business may well require not just the forming of a company but also trade mark protection and, these days, a website etc.

67. It is well established that in the law of passing off there is no limitation in respect to the parties’ fields of activity: *Lego System A/S v Lego M Lemelstrich Ltd* [1983] FSR 155. Nonetheless, the proximity of the parties’ fields of activity is relevant to whether the acts complained of in a particular case amount to a misrepresentation. I take the view that there would be a misrepresentation if the applicant here was to offer the objected to services in Northern Ireland under the identical mark THE COMPANY SHOP.

68. Accordingly, I propose to allow the applicant a period of one month from the expiry of the appeal period to indicate by notice in writing that it agrees that the services that are the subject of objection should be subject to a territorial limitation covering England, Scotland and Wales (Great Britain). The balance of the goods and services of the application which have not been made the subject of this opposition will not, of course, be subject to any geographical limitation.

69. If no agreement to such a limitation is received in this time the application will be refused in respect of the objected to services. If an appeal is filed but is unsuccessful the period for agreeing to the limitation will be one month from the final determination of the case.

## **COSTS**

70. In the event that the applicant agrees that the rights that would be conferred by registration should be limited accordingly, both sides will have achieved a measure of success. In those circumstances I will not favour either side with an award of costs.

**Dated this 5th day of January 2007**

**M REYNOLDS  
For the Registrar  
The Comptroller General**