

O-272-07

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2373011
IN THE NAME OF STICKS & STONES LIMITED
OF THE TRADE MARK:**

STICKS & STONES

IN CLASSES 37 AND 42

AND

**THE APPLICATION FOR A DECLARATION
OF INVALIDITY THERETO UNDER NO 82680
BY
FIKS TRADING LTD**

Trade Marks Act 1994

**In the matter of registration no 2373011
in the name of Sticks & Stones Limited
of the trade mark:
STICKS & STONES
in classes 37 and 42
and the application for a declaration of invalidity
thereto under no 82680
by Fiks Trading Ltd**

Introduction

1) On 27 October 2006 Fiks Trading Ltd, which I will refer to as Fiks, made an application for the invalidation of registration no 2373011. The application for registration, under no 2373011, was made on 14 September 2004 and the registration procedure was completed on 25 February 2005. The registration is for the trade mark **STICKS & STONES**. The trade mark is in the name of Sticks & Stones Limited, which I will refer to as SSL. The trade mark is registered for:

building services; construction services; refurbishment services; installation services; project management services; consultancy and advisory services relating to the aforesaid;

design services, consultancy and advisory services relating thereto.

The above services are in classes 37 and 42 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) Fiks is the owner of United Kingdom trade mark registration no 2337992 of the trade mark **STICKS & STONES**. The application for registration of this trade mark was made on 17 July 2003; the registration process was completed on 25 February 2005. The trade mark is registered for *wood flooring, natural stone flooring*; these goods are in class 19 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) Fiks states that the trade marks are the same. It states that the businesses of the two sides are identical in that they both supply wood and stone flooring. Fiks states that in this area of the marketplace it is common for traders to both sell and install the flooring and so there is a clear overlap between the goods and services. Fiks claims that it is, therefore, highly likely that confusion between the respective trade marks would occur in the marketplace. Consequently, the trade mark of SSL was registered contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

4) Fiks states that the application for registration was made in bad faith. It states that SSL filed an opposition against the registration of Fiks' trade mark. The opposition was based on SSL's claimed use of its trade mark. Fiks states that SSL lost the opposition and that it, Fiks, was awarded costs.

5) Fiks states that during the period of the opposition there were discussions between the two sides in relation to the use of the name STICKS & STONES. Fiks states that it was stated in no uncertain terms that it no way condoned the use of STICKS & STONES by SSL for its shops. Fiks states that it has discovered that SSL has been using its trade mark to sell identical flooring and that it has registered a trade mark. Fiks claims that SSL sought a registration for services in classes 37 and 42, rather than class 19, so as not to alert the Registry or Fiks to SSL's aim of continuing to trade in flooring under the trade mark STICKS & STONES. Fiks states that SSL currently have premises under the facia of STICKS & STONES where wood and stone flooring is sold. Fiks states that SSL has advertised in a magazine offering those goods.

6) Fiks states that it has drawn SSL's attention to this matter prior to the filing of the application for invalidation but that the latter has failed to surrender its registration or to acknowledge any of the letters sent to it.

7) Fiks seeks the invalidation of the registration and an award of costs. Fiks also, in its statement of grounds, sought security for costs.

8) SSL filed a counterstatement. SSL denies that the businesses of the two sides are identical and denies that the trade mark was registered contrary to section 5(2)(b) of the Act.

9) SSL denies that the application for registration was made in bad faith. SSL states that it was incorporated on 18 March 2002 to continue the business of its predecessor in title to the name STICKS & STONES. SSL states that STICKS & STONES has been used by SSL or its predecessor in title in relation to the services covered by its registration from the mid 1990s. SSL states that for it to apply to register its own name in relation to services it has supplied cannot constitute bad faith. SSL admits that it opposed Fiks' trade mark application and that Fiks was awarded costs. It is not admitted that it lost the opposition; the opposition was abandoned and no decision was made by the registrar.

10) SSL denies that Fiks has drawn its attention to its objections prior to the filing of the application for invalidation.

11) SSL requests the dismissal of the application and an award of costs.

12) SSL states that there is no justification for security for costs. SSL states that the costs awarded in the abandoned opposition case were paid in full.

13) Both sides filed evidence.

14) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing; Fiks submitted written submissions.

Preliminary issues

Security for costs

15) In Fiks' statement of grounds it requested security for costs. This was answered in the counterstatement of SSL with a statement that there was no basis for this request. It was also stated that the costs in an earlier case had been paid by SSL to Fiks. No further reference was made in relation to security for costs until the written submissions of Fiks were received. At the end of the submissions the following was written:

“Their erstwhile claim for security of costs has not been met by the proprietors.”

The request for security for costs should have been dealt with by the Office on receipt of the counterstatement, as it has not, I will deal with it in this decision.

16) The power to require security for costs arises from section 68(3) of the Act and rule 61 of the Trade Marks Rules 2000 (as amended) (the Rules). Although the registrar is not bound by the Civil Procedure Rules (CPR)ⁱ, he looks to them for guidance where the Rules are silent or where the CPR can give guidance as to the application of the Rules. Rule 25.13 of the CPR gives the criteria for requiring security for costsⁱⁱ. Fiks has given no reasons for requiring security for costs, neither has it contradicted the statement of SSL that in the earlier case the costs were paid. In the absence of any reason being given for requesting security for costs the request has to be rejected. If a side requests security for costs it should give reasons, reasons that should satisfy the criteria of rule 25.13 of the CPR. If it does not give reasons it should not make such a request.

Without prejudice correspondence

17) Included in the exhibits to the evidence of Fiks at IF4 are letters between the representatives of the two sides relating to the dispute between the parties in relation to the use of STICKS & STONES. In the first paragraph of the letter of 28 October 2004 the following appears:

“This letter is, I suppose, without prejudice because it is in reply to yours.”

None of the letters are marked “without prejudice”, however, they clearly relate to negotiations in relation to a dispute between the two sides. Correspondence does not have to be marked “without prejudice” to fall within the without prejudice rule. The correspondence exhibited relates to negotiations to settle their dispute, in my view it clearly falls within the without prejudice ruleⁱⁱⁱ. There has been no waiving of privilege by SSL. As the correspondence at IF4 is without prejudice it should not have been

exhibited and I will take no cognisance of it nor paragraph 6 of the witness statement of Imad Ferzoli which relates to the without prejudice correspondence.

18) There is nothing in the without prejudice correspondence that has a bearing upon my decision and consequently I do not consider that it is necessary to recuse myself.

Impugning of evidence

19) Part of the evidence of SSL consists of a witness statement by Stuart Pearson. In the written submissions for Fiks, its representative states:

“It is submitted that this Witness Statement is therefore either untrue or it substantiates the contention that the proprietors use their mark in bad faith for the supply of goods for their flooring contracts.”

To state that a witness statement is untrue, whether as one of two alternative interpretations or not, is a most serious allegation. If Fiks wishes to impugn the evidence of Mr Pearson it should have requested a hearing so that he could be cross-examined^{iv}. There is not a shred of evidence that the witness statement is not true or that Mr Pearson is not of good character. It is of great concern to me that such an allegation has been made, especially when there is nothing to corroborate the allegation.

20) I find nothing in the evidence of Mr Pearson to make me consider that his evidence is other than reliable; there is nothing romancing or incredible in his evidence. I take Mr Pearson’s evidence at face value.

Evidence of Fiks

21) This consists of a witness statement by Imad Ferzoli. Mr Ferzoli states that he is the managing director of Fiks and has been with the company since its formation in 1995.

22) Mr Ferzoli states that SSL initially opposed Fiks’ application on the basis of sections 3(6) and 5(4)(a) of the Act. Exhibited at IF2 and IF3 is material relating to the opposition. The opposition was filed on 26 November 2003. In the statement of grounds SSL states that it had used the trade mark STICKS & STONES extensively in relation to wood and stone flooring and allied goods and services and that it had a substantial reputation in respect of these goods and services. Following a letter from the registrar requiring particularisation of the claim under section 3(6) of the Act, this ground of opposition was removed. In its counterstatement, dated 29 March 2004, Fiks denied the claims of SSL and stated that it had been using the trade mark STICKS & STONES in respect of wood and stone floor sine 2001. A letter dated 20 December 2004 from the registrar notified that as SSL had not filed any evidence the opposition would be deemed to be withdrawn. A letter dated 7 February 2005 from the registrar advised that the opposition had been deemed withdrawn. On 31 May 2005 SSL was ordered to pay costs to Fiks of £500.

23) Mr Ferzoli states that he has recently discovered that SSL is continuing to trade in flooring from its premises in Ripley, Surrey. He states that SSL has advertised “natural flooring & walling” under the trade mark STICKS & STONES in magazines. He exhibits a copy of an advertisement from *The Richmond Magazine* of June 2006 in relation to this. The advertisement refers to SSL being specialists in travertine, limestone, slate, marble, tumble, porcelain and hardwood. It also states that granite worktops and surrounds are supplied and fitted. Also exhibited are pictures of the front of the premises of SSL which show use of STICKS & STONES and references to natural flooring, design and build and planning applications.

24) Mr Ferzoli states that a letter was sent by recorded delivery to SSL advising that it was infringing Fiks’ trade mark registration. A copy of the letter is exhibited as is a copy of the recorded delivery slip. Fiks has not supplied proof that the letter was received and signed for.

25) Mr Ferzoli contends that SSL filed an application in classes 37 and 42 on the basis that it would avoid an objection from the Trade Marks Registry on the basis of Fiks’ earlier trade mark in relation to flooring. He states that is clearly an act of bad faith as SSL is blatantly trading in the same goods as Fiks and knew of Fiks before it filed its application. Mr Ferzoli states that the end products of the services provided by SSL are the same as the products of Fiks’ registration.

Evidence of SSL

26) This consists of witness statements by Leigh Charlton and Stuart Pearson.

27) Mr Charlton is the managing director of SSL. He states that he has held this position since SSL’s incorporation on 18 March 2003; a printout from Companies House is exhibited, which shows that date of incorporation as 18 March 2002.

28) Mr Charlton states that he first used the trade mark STICKS & STONES in trade in the United Kingdom in 1998 when he was trading as Charlton Construction. He states that the trade mark was primarily used then in relation to building and installation services. He states that following the incorporation of SSL it used the trade mark STICKS & STONES with his permission. Mr Charlton states that SSL provides services such as the installation of flooring, tiling and wall coverings and advisory services relating to flooring, tiling and wall coverings. He gives turnover figures in relation to Charlton Construction. He states that a proportion of the turnover is attributable to work done under the STICKS & STONES trade mark but is unable to state what that proportion is.

29) Mr Charlton exhibits a business card and compliments slip, both of which bear the trade mark STICKS & STONES. The compliments slip bears a date stamp from Wilson Gunn Gee, SSL’s trade mark attorneys, of 19 November 1993. Exhibited at LC3 is a copy of an invoice dated 18 July 2002 from Mandarin Stone, a natural stone flooring

importer and stockist. The invoice is addressed to Sticks & Stones c/o Charlton Construction, the delivery address is to SSL's Ripley premises.

30) Mr Charlton states that he is not able to give a specific amount that was spent on promotion as a proportion of Charlton Construction's budget in the years 1998, 1999 and 2000. He does give figures for promotion for the years 2001, 2002 and 2003. However, he does not advise how much of this promotion relates to Charlton Construction and how much to the use of the trade mark STICKS & STONES.

31) Mr Charlton states that the trade mark STICKS & STONES has been used on the services of installation of flooring, including stone and wood flooring, tiling and wall coverings and related advisory services primarily in Surrey, Hampshire and West Sussex. He states that SSL has provided services outside this area. Mr Charlton states that SSL's services are advertised in local magazines eg *The Guildford Magazine*.

32) Mr Charlton exhibits a copy of the letterhead of Fiks which he notes has no reference to STICKS & STONES.

33) Mr Pearson is the contracts manager of RW Armstrong & Sons Limited. He states that he has known Mr Charlton since 1997 through the latter's construction company, Charlton Construction. He states that building contracts were carried out via Charlton Construction whilst flooring contracts, tile fixing and supply of goods were carried out by SSL.

The statute law

34) Applications for invalidation are governed by section 47 of the Act:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if -

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

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

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

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that -

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

35) Section 3(6) of the Act states that “a trade mark shall not be registered if or to the extent that the application was made in bad faith”.

36) Section 5(2) of the Act reads:

“(2) 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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

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

37) Fiks’ trade mark is an earlier trade mark as per section 6(1)(a). Owing to its date of registration, Fiks’ trade mark is not subject to the proof of use regulations.

38) Fiks has based its claim on likelihood of confusion on section 5(2)(b) of the Act. The respective trade marks are identical, consequently, Fiks should have based its claim on section 5(2)(a) of the Act. To dismiss the claim of Fiks on the basis that the trade marks are identical rather than similar would, in my view, be captious in the extreme. I will

treat the claim under section 5(2)(b) of the Act as effectively a claim under section 5(2)(a) of the Act.

Material dates

Bad faith – section 3(6) of the Act

39) Bad faith relates to the action of making the application for registration, the decision as to whether an application was made in bad faith is tied to what was known, or should have been known, by an applicant at the date of the application. An application made in bad faith cannot be cured by some later action^v; later actions may be indicative of whether an application was or was not made in bad faith but they cannot turn an action made in bad faith to one made in good faith or vice versa. Consequently, the material date in respect of section 3(6) of the Act is the date of the application for registration, 14 September 2004.

Likelihood of confusion – section 5(2) of the Act

40) In decision BL/O/214/06 I dealt with the issue of material dates in relation to applications for invalidation based on relative grounds^{vi}. In that decision I decided that in an invalidation action on relative grounds there are two material dates: the date of the application for registration and the date of the hearing; the grounds for invalidation had to exist at both material dates for an applicant for invalidation to be successful. I am not aware of any judgments since I wrote that decision which lead me to question my findings re the material dates. In fact the judgment of the CFI in *MIP METRO Group Intellectual Property GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/04* strengthens my view that there are two material dates. So, Fiks has to establish the grounds for invalidation under section 5(2) of the Act that it pleads apply at the date of the application for registration and at the date of the writing of this decision (there having been no hearing). The earlier registration is valid as of the date of the writing of this decision. There is nothing to suggest that the case against SSL is any different as of the date of the writing of this decision. Consequently, I do not consider that in this case the existence of two material dates makes any difference.

Bad faith – section 3(6) of the Act

41) Bad faith includes dishonesty and “some dealings which fall short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined^{vii}”. Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptable^{viii}. It is necessary to apply what is referred to as the “combined test”. This requires me to decide what SSL knew at the time of making the application and then, in the light of that knowledge, whether the behaviour fell short of acceptable commercial behaviour^{ix}. Bad faith impugns the character of an individual or collective character of a business, as such it is a serious

allegation^x. The more serious the allegation the more cogent must be the evidence to support it^{xi}. However, the matter still has to be decided upon the balance of probabilities.

42) The basis of the allegation of bad faith is that SSL knew of Fiks' earlier trade mark and filed its application specifically to circumvent the effects of that earlier trade mark.

43) When SSL made its application it knew of Fiks' trade mark application, having filed an opposition to its registration many months before. The opposition was deemed withdrawn owing to a failure to provide evidence to support the grounds of opposition under section 5(4)(a) of the Act. Other than establishing that SSL knew of Fiks' trade mark application I do not consider that the earlier opposition case has a bearing upon the current case.

44) Fiks considers that it is significant that SSL did not apply for a class 19 registration for flooring products. Such an application would require SSL to state that it was using the trade mark in relation to the goods, or had a bona fide intention so to do. In the opposition case SSL claimed that it had used the trade mark STICKS & STONES extensively in relation to wood and stone flooring and allied goods and services. However, in its evidence SSL does not make this claim. There is nothing in its evidence to suggest that SSL does supply flooring products by reference to the trade mark STICKS & STONES, however, there is evidence to show that it does supply services relating to these goods. It could be that the statement of grounds in the opposition was not drafted very carefully and that the claim related more to retail services than the application of the trade mark to actual goods. Indeed, even with careful drafting the differentiation between use of the name of a shop and use of a name in relation to goods is a very cloudy and imprecise area^{xii}. Consequently, I can see nothing sinister in the application being in the service classes alone. The invoice of 18 July 2002 shows that the name STICKS & STONES was being used at this time. It would appear from Mr Charlton's statement that the nature of the services provided under the trade mark STICKS & STONES changed after the incorporation of SSL; unfortunately, in his statement he gives the wrong year of incorporation. (To apply for the trade mark for identical goods would be a somewhat pointless exercise as the provisions of section 5(1) of the Act would be invoked.)

45) Despite the comments in the submissions of Fiks, I consider that SSL had at the time of its application been supplying, inter alia, floor installation services under the trade mark STICKS & STONES for at least a couple of years. There is no evidence that Fiks has ever used its trade mark; of course, it has five years from the completion of the registration process to make use of the trade mark. As SSL's business was continuing it seems that in making the application SSL was acting with commercial prudence, with the aim of protecting the name under which its business was conducted. I can see nothing dishonest in the behaviour of SSL and nothing that could be deemed to be behaviour that fell "short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined". If SSL's services are similar to the goods of Fiks' registration, then the former's registration could fall foul of section 5(2)(a) of the Act but there is a great distance between the possibility of there being a likelihood of confusion and an application having been made in bad faith.

46) The grounds of invalidation under section 3(6) of the Act are dismissed.

Likelihood of confusion – section 5(2)(b) of the Act

Comparison of trade marks

47) The trade marks are identical

Comparison of goods and services

48) The services of SSL's registration are:

building services; construction services; refurbishment services; installation services; project management services; consultancy and advisory services relating to the aforesaid;

design services, consultancy and advisory services relating thereto.

The goods of the earlier registration are:

wood flooring, natural stone flooring.

49) In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose^{xiii}, their method of use and whether they are in competition with each other or are complementary^{xiv}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

50) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade”^{xv}. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xvi}. The class of the goods in which they are placed is relevant in determining the nature of the goods^{xvii}. Consideration should be given as to

how the average consumer would view the goods^{xviii}. Specifications for services should not be given an over wide construction^{xix}.

51) In considering the similarity of the goods and services I have to consider the individual goods and services specified, unless the same ground of refusal is given for a category or group of goods or services, then I can use a general reasoning for all of the goods or services concerned^{xx}.

52) *Building services; construction services; refurbishment services; installation services and design services* are very broad categories which could all readily include the installation or design of wood or natural stone flooring; this, in my view, is a natural reading of the specification and not an overly wide one. Consequently, the users of the services would be persons who require the installation or design of wood or natural stone flooring; the users of the goods would be persons who might be installing or designing the flooring for themselves or for others. I consider that the goods and services serve the same purpose and have the same users. From the evidence it can be seen that SSL holds stocks of the goods that it installs and designs. There is no evidence that this is the norm in trade, however, customers would be very frustrated if they visited installers/designers who could not show and supply them with the products that are to be installed/designed. Some customers will no doubt purchase the goods themselves and then contract an installer and/or designer, however, it seems to me likely that for the non-trade customer, at least, that the services and goods will in certain circumstances have the same trade channels. A floor installer/designer requires the floors to install/design; the installation of the floor is dependent (if not mutually dependent) upon the products for the construction/design of the floor. I consider, therefore, that the respective goods and services are complementary. One can buy the floor products oneself and install them oneself or one can have someone supply and install the products, consequently the goods and services, relating to installation, are in competition to some extent. The consultancy and advisory services are inextricably linked to the primary services, in terms of comparison they cannot be separated in any meaningful way.

53) There is a high degree of similarity between the goods of the earlier registration and *building services; construction services; refurbishment services; installation services; consultancy and advisory services relating to the aforesaid and design services, consultancy and advisory services relating thereto.*

54) *Project management services* involve the planning and supervision of a project within the parameters set by the commissioner. It requires the controlling of the logistics of an operation, any project can be managed. In the construction industry it is likely to involve the running of a building site or the major refurbishment of a building. There is no evidence in relation to the exact nature of the services, however, it strikes me that it would strain the term to consider that the laying of a floor of itself would generally be project managed; such an interpretation would give an overly wide construction to the phrase. The laying of a floor would be part of a much wider operation eg the building of a house or houses. *Project management services* potentially employ and control the other services of the specification, the other services would be in the nature of sub-contract

services. In my view *project management services* are at a significant remove from the goods that might be used to effect the project, a remove that means that the conjunctions that exist between the other services and the goods do not exist. I do not consider that *project management services* are similar to the goods of the registration.

Likelihood of confusion – conclusion

55) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xxi}. In this case the trade marks are identical. There is also a high degree of similarity between the goods and services, with the exception of *project management services*. (Owing to the distance between the aforesaid services and the goods of the earlier registration, even with everything else in the favour of the applicant, there will not, in my view, be a likelihood of confusion in respect of these services.) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark (either by nature or nurture) the greater the likelihood of confusion^{xxii}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xxiii}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods 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^{xxiv}. STICKS & STONES brings to mind a well-known saying, it is also has a playful allusion to the goods of Fiks' trade mark; this is likely to make the trade mark memorable, to have a hook for the memory. I consider that STICKS & STONES has a good deal of inherent distinctiveness. The trade marks are identical, so any care that might be taken in a purchasing decision is not going to allow a customer to distinguish between them; there is nothing to distinguish between them. The only area that allows for distinguishing relates to the goods and services and not the trade marks. Owing to the proximity of the similar services, I cannot see that this difference will allow the customer to distinguish between the goods and services; especially if the customer is the person on the street rather than a person in the trade. Effectively every factor in the global appreciation is in favour of Fiks.

56) There is a likelihood of confusion in respect of the following services:

building services; construction services; refurbishment services; installation services; consultancy and advisory services relating to the aforesaid;

design services, consultancy and advisory services relating thereto.

Under section 47(2)(a) of the Act I find that registration no 2373011 is invalid in respect of the above services on the ground that it was registered in breach of section 5(2)(a) of the Act. The registration is to be cancelled in respect of the above

services. In accordance with section 47(6), the registration in respect of these services is deemed never to have been made. This means that the residual specification will read as follows:

project management services; consultancy and advisory services relating to the aforesaid services.

Costs

57) Fiks has been successful for the most part in relation to its grounds under section 5(2)(a) of the Act. It has been unsuccessful in relation to its grounds under section 3(6) of the Act. The evidence that it has filed has had no effect upon the outcome of the case, the section 5(2)(a) case was settled on a mark to mark and goods to services analysis. Consequently, I do not consider that Fiks should receive a contribution towards the cost of the evidence that it has filed^{xxv}.

I award costs on the following basis:

Application for invalidation fee:	£200
Statement of grounds:	£300
Considering statement of case in reply:	£200
Written submissions:	£50

Total £750

I order Sticks & Stones Limited to pay Fiks Trading Ltd the sum of £750. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful

Dated this 17th day of September 2007

David Landau
For the Registrar
the Comptroller-General

ⁱ *St Trudo Trade Mark* [1995] FSR 345, *Rhone-Poulenc Rorer International Holdings Inc v Yeda Research and Development Co Ltd* [2006] RPC 24 and [2007] RPC 9.

ⁱⁱ Conditions to be satisfied †

(1) The court may make an order for security for costs under rule 25.12 if—

(a) it is satisfied, having regard to all the circumstances of the case, that it is just to make such an order; and
(b)

(i) one or more of the conditions in paragraph (2) applies, or

(ii) an enactment permits the court to require security for costs.

(2) The conditions are—

(a) the claimant is—

(i) resident out of the jurisdiction; but

(ii) not resident in a Brussels Contracting State, a Lugano Contracting State or a Regulation State, as defined in section 1(3) of the Civil Jurisdiction and Judgments Act 1982;

(b) [omitted]

(c) the claimant is a company or other body (whether incorporated inside or outside Great Britain) and there is reason to believe that it will be unable to pay the defendant's costs if ordered to do so;

(d) the claimant has changed his address since the claim was commenced with a view to evading the consequences of the litigation;

(e) the claimant failed to give his address in the claim form, or gave an incorrect address in that form;

(f) the claimant is acting as a nominal claimant, other than as a representative claimant under Part 19, and there is reason to believe that he will be unable to pay the defendant's costs if ordered to do so;

(g) the claimant has taken steps in relation to his assets that would make it difficult to enforce an order for costs against him.

ⁱⁱⁱ Rule 31.3.40 of the CPR outlines the basis and effect of the without prejudice rule:

“Without prejudice communications

The "without prejudice" rule governs the admissibility of evidence and is founded upon the public policy of encouraging litigants to settle their differences rather than litigate them to a finish (*Cutts v Head* [1984] Ch. 290; [1984] 1 All E.R. 597, CA). The rule applies to exclude all negotiations genuinely aimed at a settlement, whether oral or in writing, from being given in evidence. The purpose of the rule is to protect a litigant from being embarrassed by any admission made purely in an attempt to achieve a settlement. There must be a dispute which is under settlement discussion and not merely the seeking of a concession as to payment of an undisputed debt sought by a debtor: *Bradford & Bingley plc v Rashid* [2006] UKHL 37; [2006] 4 All E.R. 705, HL, a case concerning an acknowledgment within s.29(5) of the Limitation Act 1980. "Without prejudice" material will be admissible if the issue is whether or not negotiations resulted in an agreed settlement (*Walker v Wilsher* (1889) 23 Q.B.D. 335), but in relation to any other issue an admission made in order to achieve a compromise should not be held against the maker of the admission or received in evidence; moreover an admission made to reach a settlement with a party is not admissible in proceedings between the maker of the admission and a different party, even if such proceedings are within the same litigation (*Rush & Tompkins Ltd v Greater London Council* [1989] A.C. 1280; [1988] 3 W.L.R. 939; [1988] 3 All E.R. 737, HL). The right to disclosure and production of documents does not necessarily depend upon the admissibility of documents in evidence (*O'Rourke v Darbishire* [1920] A.C. 581, HL), but the general public policy that applies to protect genuine negotiations from being admissible in evidence is also extended by the Courts to protect those negotiations from being discloseable to third parties (*Rush & Tompkins Ltd v Greater London Council* (above)). Any discussions between the parties for the purpose of resolving the dispute between them are not admissible, even if the words "without prejudice" or their equivalent are not expressly used (*Chocoladefabriken Lindt & Sprungli AG v Nestle Co Ltd* [1978] R.P.C. 287). It follows that documents containing such material are themselves privileged from production. This head of privilege is not confined to admissions but applies to all bona fide without prejudice statements which touched upon the strengths or weaknesses of the parties' cases or which placed a valuation on a party's rights forming a part of the attempt to compromise the litigation, see *Unilever v Procter & Gamble* [1999] 1 W.L.R. 1630; [1999] 2 All E.R. 691 affirmed, [2000] 1 W.L.R. 2436; [2001] 1 All E.R. 783, CA and see *Instance v Denny Bros Printing Ltd*, *The Times*, February 28, 2000.

The rule in *Walker v Wilsher* (see above) was re-affirmed by the Court of Appeal in a taxation of costs context in *Reed Executive plc v Reed Business Information Ltd* [2004] EWCA Civ 887; [2004] 1 W.L.R. 3026; [2004] 4 All E.R. 942, CA, even though such "may (indeed does) mean that in some cases the Court

when it comes to the question of costs cannot decide whether one side or the other was unreasonable in refusing mediation" (para.34).

The without prejudice rule is not absolute and resort may be had to the without prejudice material for a variety of reasons when the justice of the case requires it always giving due weight to the purpose of the rule itself, see *Rush & Tompkins Ltd v Greater London Council* (see above) at 1300. See too *Gnitrow Ltd v Cape plc* [2000] 1 W.L.R. 2327; [2000] 3 All E.R. 763 CA, where subject to conditions on use and timing of disclosure to the trial court, it was held that where a claimant has settled for a fixed sum a specific claim against him and sought only an indemnity or contribution with respect to that sum, he could not invoke the privilege attaching to without prejudice negotiating to deny disclosure to the defendant in the contribution proceedings of the terms of a settlement between the claimant's insurers and a third party in respect of apportionment of that liability. But see *UYB Ltd v British Railways Board*, *The Times*, November 15, 2000 in which the Court of Appeal held that the trial judge had not been wrong to hold a without prejudice draft report inadmissible to challenge a claim made at trial.

Without prejudice correspondence before settlement of a claim for damages by first named claimant against his former employers not privileged in claimant's subsequent claim for negligence against solicitors who had advised the claimant before his former employer had dismissed him where the statement of case in the subsequent claim asserted that the settlement was an attempt to mitigate loss caused by the negligence and the defendants did not seek to show that admissions made in the course of such correspondence were true. The claimants had put their own conduct in issue and had thereby waived any privilege in such correspondence (*Muller v Linsley & Mortimer*, *The Times*, December 8, 1994; [1996] P.N.L.R. 74, CA). In *Somatra Ltd v Sinclair Roche & Temperley* [2000] 1 Lloyd's Rep. 311 it was held that while it was clear that legal privilege could be waived unilaterally, without prejudice privilege was effectively a joint privilege and could not be waived by one party alone. On appeal [2000] 1 W.L.R. 2453; [2000] 2 Lloyd's Rep. 673 the Court of Appeal held allowing the appeal in part, that a party to litigation was not entitled to rely upon the contents of without prejudice discussions with another party in order to advance its case at trial unless subsequent conduct by the other party entitled it so to do; that, both as a matter of implied contract and public policy, where, in support of its case on the merits of an action, a party deployed material which formed part of without prejudice communications, the other party should be entitled to refer to the contents of the same communications at trial in order to advance its own case on the merits; and that, accordingly, the solicitors were not entitled at trial to rely on the without prejudice nature of the discussions since they had themselves relied on those discussions to support the merits of their case when applying for the Mareva injunction.

If one party to negotiations on a without prejudice basis wishes to change the basis thenceforth to an open one, the burden is on that party to bring the change to the attention of the other party and to establish on an objective basis that the recipient would have realised that a change in the basis of negotiation was being made (see *Cheddar Valley Engineering Ltd v Chaddlewood Homes Ltd* [1992] 1 W.L.R. 820).

Conversely the heading "without prejudice" does not conclusively or automatically render privileged a document so marked. If privilege is claimed, but challenged, the Court has to examine the document in question and determine its nature (*South Shropshire DC v Amos* [1986] 1 W.L.R. 1271; [1987] 1 All E.R. 340, CA). The rule which confers privilege on "without prejudice" communications is not limited to documents which constitute offers; privilege may also attach to "without prejudice" documents written in the opening stages of negotiations (*ibid.*).

A letter, stated by a party to be written without prejudice, which amounts not to an offer to negotiate, but merely to an assertion of that party's rights, or an attempt to argue that his case is well founded, is not privileged (*Buckinghamshire CC v Moran* [1989] 2 All E.R. 225, CA).

Transcripts of tape recordings of conversations between the parties, made by one party without the knowledge of the other, where there is a bona fide and reasonably tenable charge of crime or fraud, and where there is a prima facie case that the communications in question are made in preparation for, or in furtherance or as part of it, are not covered by "without prejudice" privilege (*Hawick Jersey International Ltd v Caplan*, *The Times*, March 11, 1988). But an unambiguous admission of impropriety during a conversation is required to render admissible in evidence a tape recording of a negotiation aimed at settling the dispute (*Alizadeh v Nikbin*, *The Times*, March 19, 1993, CA). See further *Forster v Friedland*, November 10, 1992, CA Transcript 92/1052.

The test for loss of without prejudice protection from admissibility is one of unambiguous impropriety and a very clear case of abuse of a privileged occasion and not whether there was a serious and substantial risk

of perjury, see *Berry Trade Ltd v Moussavi* (No.3) [2003] EWCA Civ 715; *The Times*, June 3, 2003, CA. In *Savings & Investments Bank Ltd v Fincken* [2003] EWCA Civ 1630; [2004] 1 W.L.R. 667; [2004] 1 All E.R. 1125, CA, it was held that the unambiguous impropriety exception is confined to instances where it is established that the privilege is itself being abused.

A note made by a claimant's solicitor of a telephone conversation between him and the defendant's solicitor, which merely records the substance of the conversation and contains nothing in the nature of a communication to the claimant, is not a document privileged from disclosure as between claimant and defendant even if the subject matter of the conversation is "without prejudice"; hence, where such a note has been properly disclosed by the claimant, the defendant is not entitled, on the principle that waiver of a privileged document requires the release from privilege of all material relevant to the matter as to which professional privilege has been waived (for which see para.31.3.27 above), to disclosure of all memoranda passing between the claimant and his solicitor relating to the conversation, because there has been no waiver of a privileged document (*Parry v News Group Newspapers Ltd* (1990) 140 N.L.J. 1719, CA).

Where a judge sees privileged or inadmissible material does not raise issues of partiality or bias but if rescusation is sought the judge should consider subjectively whether he is disabled from fairly continuing with the case and objectively whether viewed from the standpoint of a fair minded and informed observer there was a real possibility or a real danger of there being seen to be an unfair trial. Further, in a case where privilege over without prejudice material has not been waived, neither side should unilaterally or orally without notice refer to the contents of such communication without first ascertaining the views of the other side to such intended disclosure and notifying the Court of its intended course and seeking the Courts views on whether and how the matter should be adduced, *Berg v IML London Ltd* [2002] 1 W.L.R. 3271.

A letter containing an offer to settle may be written as an open letter and used by the party writing it during the trial, providing it has relevance and does not form part of continuing without prejudice negotiations (*Dixons Stores Group Ltd v Thames Television Plc* [1993] 1 All E.R. 349).

When a solicitor writes "threats" letters on behalf of a client, he has no confidence or legal professional privilege therein, whatever the position as regards his client himself. If such a "threats" letter is inaccurate the solicitor has a duty to put that right, though there may be difficulties when the solicitor has ceased to act for that client or when questions arise as to whether he should write such a correcting letter of his own accord (*CHC Software Care Ltd v Hopkins and Wood* [1993] F.S.R. 241)."

^{iv} Latham LJ in *Deepak Fertilisers and Petrochemical Limited v Davy McKee (UK) London Limited* [2002] EWCA Civ 1396 at paragraph 49:

"The general rule in adversarial proceedings, as between the parties, is that one party should not be entitled to impugn the evidence of another party's witness if he has not asked appropriate questions enabling the witness to deal with the criticisms that are being made. This general rule is stated in Phipson on Evidence 15th Ed at para 11-26 in the following terms:

"As a rule a party should put to each of his opponent's witnesses in turn so much of his own case as concerns that particular witness, or in which he had a share, eg if the witness has deposed a conversation, the opposing counsel should put to the witnesses any significant differences from his own case. If he asks no questions he will generally be taken to accept the witness's account and will not be permitted to attack it in his final speech ... Failure to cross-examine will not, however, always amount to acceptance of the witness's testimony, if for example the witness has had notice to the contrary beforehand, or the story itself is of an incredible or romancing character"."

^v *Nonogram Trade Mark* [2001] RPC 21.

^{vi} "9) Having received the skeleton arguments, I notified counsel that I considered that it would be helpful to receive submissions in relation to what the material date(s) was. I drew their attention to the comments of Professor Annand, sitting as the appointed person, in BL O/227/05:

"My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines "earlier trade marks" for the purposes of relative invalidity as trade marks with a date of application for

registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*).”

I also asked them to consider the findings of the European Court of Justice (ECJ) in *Levi Strauss & Co v Casucci SpA* Case C-145/05. In that case the ECJ stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark’s distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked.”

Subsequently, counsel produced supplementary skeleton arguments and addressed this matter.

10) Under Article 4.4 (b) the rights must have been acquired prior to the date of application for registration. That right is also qualified as being a right that would confer upon the proprietor the right to prohibit the use of a subsequent trade mark. So one material date is clearly set out in the Directive. UK has to establish that by the date of application for registration, 18 December 1992, it could prevent the use of the trade mark under the law of passing-off. If it cannot do this its case is lost. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Owing to Article 4.4 (b) the date for establishing the preventive right cannot be later than the date of application, but passing-off is about the behaviour complained of. So one could look to a date earlier than the date of application if the behaviour complained of arose before the date of application. In this case the behaviour complained of is the use of the trade mark in relation to the goods of the registration. There is no evidence of any such use prior to 18 December 1992. So the first material date is the date of application.

11) Article 4.4 (b) of the Directive and section 47(2)(b) of the Act use the present tense. Too much can be easily read into the use of the present tense, it is the natural tense to use in legislative texts; which are not drafted by committees of philologists. The comments of Professor Annand and the judgment of the ECJ in *Levi Strauss & Co v Casucci SpA* suggest that a later date may also need to be considered; so that an applicant will not only have to succeed in its claim at the date of application but also at a later date. This is clearly the position in relation to grounds relating to the distinctiveness of a trade mark. The proviso to section 47(1) of the Act, derived from Article 3.3 of the Directive, states that a trade mark registered in breach of subsection (3)(1)(b), (c) or (d) of the Act shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered. So the Act recognises, at least in relation to certain grounds, that where the grounds no longer exist a trade mark shall not be declared invalid.

12) One can consider certain situations in relation to applications for invalidation on relative grounds. A registration is attacked on the basis of the law of passing-off. The registration was filed twenty years earlier. At the time that attacker could succeed, however, its goodwill has dissipated and the registered proprietor has built up its own goodwill. So the attacker would not have been able to succeed in a passing-off case for fifteen years. It would seem odd that such an attacker could succeed. A trade mark registration may have lapsed after the date of application for a registration and after it was registered. The attacker could prove use within the relevant period although it no longer had a trade mark registration. Again it would seem odd that a registration should be invalidated because of a trade mark registration that no longer existed. In *Levi Strauss & Co v Casucci SpA* the ECJ clearly considered that matters after registration of a trade mark had to be taken into account in an infringement action and will have a bearing on the remedies of the action.

13) It is difficult to see the purpose of invalidating a trade mark when the basis for the invalidation no longer exists. In these circumstances, I consider that the use of the present tense does have weight and effect; it is intrinsic to the purpose of the Directive and the Act. It is a position that is, in my view, recognised by the ECJ in *Levi Strauss & Co v Casucci SpA*. Consequently, there is a second later date that has to be considered in an invalidation action. What is that date? Ms Clark submitted:

"I think the same must apply here because otherwise you have an open-ended enquiry and it is difficult to see how you could ever complete the rounds of evidence. As a purely practical matter, I would tend towards saying that you are looking at the date of the application for a declaration of invalidity because I cannot see otherwise how you conclude your rounds of evidence or end up at a decision. Supposing you go up on appeal. Fresh evidence as to what has happened since the hearing below. Is it the case that when the rounds of evidence finish as in some cases happen in 2003 and then the parties talk for four years you get to 2007 and they say, "Oh, hang on a minute, things have moved on, Registry.""

So she adopted a pragmatic approach, which gave the second date as that of the date of application for invalidation. It is certainly a pragmatic approach that would be to the administrative convenience of the Registry. However, such an approach could be to the distinct inconvenience of a registered proprietor. The fundamental principle has to be, in my view, should the trade mark be declared invalid with all the

evidence in and considered. In *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 Lord Nicholls stated:

“49 The claim in these proceedings is that, in consequence of the use made of the marks by Scandecor Marketing and Scandecor Ltd with the consent of Scandecor International, the marks are "liable to mislead the public". That is essentially a question of fact. That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past. In deciding this issue of fact the court must have due regard, as I have been at pains to emphasise, to the message which a trade mark conveys. But since the question is whether the marks are currently liable to mislead, the message which is relevant is the message which use of the marks conveys today, not the message it would have conveyed to the public in the past.”

So he was looking at the date of trial as the date at which the question had to be considered. This was a case dealing with section 46(1)(d) of the Act, revoking a trade mark registration on the basis that in the consequence of the use made of it, it is liable to mislead the public. The principle seems good for an invalidation action on relative grounds. If at the date of the trial/hearing there is no longer a basis to invalidate a trade mark, should it be invalidated for administrative convenience. If one is attaching one self to the date of application for invalidation, does one ignore evidence filed in the evidence rounds dealing with matters after the date of application? The latter course of action would seem to be untenable. Taking the date of hearing as the second material date may give rise to administrative problems at times but administrative convenience should not override the purpose of the law. If late evidence is filed, there can always be compensation in costs for the other side. I consider that the second material date has to be the date of the hearing.

14) So the first material date is the date of application for registration and there is a second material date, the date of the hearing. So for UK to succeed it has to establish that it could have prevented use of the trade mark as of 18 December 1992 and that it could also have prevented use of the trade mark on 6 June 2006. It has to succeed on both dates; if it fails in relation to the first material date, its case fails.”

^{vii} *Gromax Plastics Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

^{viii} *Harrison v Teton Valley Trading Co* [2005] FSR 10.

^{ix} (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and *Ajit Weekly Trade Mark* [2006] RPC 25.

^x See *Royal Enfield Trade Marks* [2002] RPC 24.

^{xi} *Re H (minors)* [1996] AC 563.

^{xii} See by analogy the judgment of the European Court of Justice in *Céline SARL v Céline SA* Case C-17/06:

“21 The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 *Robelco* [2002] ECR I-10913, paragraph 34, and *Anheuser-Busch*, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ within the meaning of Article 5(1) of the directive.

22 Conversely, there is use ‘in relation to goods’ within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, *Arsenal Football Club*, paragraph 41, and *Adam Opel*, paragraph 20).

23 In addition, even where the sign is not affixed, there is use ‘in relation to goods or services’ within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.”

^{xiii} The earlier incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected.

^{xiv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xv} *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xvi} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xvii} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xviii} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

^{xix} *Avnet Incorporated v Isoact Ltd* [1998] FSR 16:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

^{xx} *BVBA Management, Training en Consultancy v Benelux-Merkenbureau C- 239/05*.

^{xxi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

^{xxii} *Sabel BV v Puma AG* [1999] RPC 199.

^{xxiii} *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

^{xxiv} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

^{xxv} See *West t/a Eastenders v Fuller Smith Turner PLC* [2004] FSR 32 and *Actavis Limited v Merck & Co Inc* [2007] EWHC 1625 (Pat).