

O-101-08

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2398864
BY ENTERPRISE IG LIMITED
TO REGISTER A TRADE MARK
IN CLASSES 35 & 42

AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 94058
BY IG DESIGN SA

BACKGROUND

1) On 9 August 2005 Enterprise IG Ltd of 6 Mercer St, London, WC2H 9QA applied under the Trade Marks Act 1994 for registration of a series of two trade marks as follows:

ENTERPRISE IG

ENTERPRISE IG


2) In respect of:

In Class 35: “Business consultancy services; marketing services; advertising services; business research services; publicity services.”

In Class 42: “Corporate identity design services, web design services and packaging design services; graphic art services; intellectual property consultancy; corporate identity development and design; brand consultancy services; brand creation.”

3) The opponent, IG Design SA of 3 bis, rue del’Eperon, Paris F-75006, France filed notice of opposition on 16 January 2006. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following mark:

Mark	Number	Registration process completed	Effective date	Class	Specification
	CTM 504381	17.05.2000	03.04.97	42	Graphic arts (graphic identity), graphic arts designing, packaging design, packaging design services, styling (industrial design), research and development (for others).

b) The mark in suit is similar to the opponent’s trade mark, and the services applied for are identical or similar. The opponent has made substantial use of the above mark in the UK on the services for which it is registered, and has created a considerable reputation in the said trade mark. The opponent has, since 1995, also made use of the trade mark “IG” in relation to product and packaging design services, design research and development and marketing consultancy throughout the UK.

c) The mark offends against Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994.

d) Further, the applicant has been aware of the opponent’s business as an ex-employee of the opponent is involved in the applicant company. There has

also been proceedings involving both parties which resulted in the applicant withdrawing its CTM application No. 2811453 and ceasing use of its trade mark in France. These actions occurred prior to the application being submitted and so the application was made in bad faith. This is said to give rise to an objection under Section 3(6) of the Act.

4) The applicant subsequently filed a counterstatement denying the opponent's claims and putting the opponent to proof of use.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 29 January 2008 when the opponent was represented by Ms Alice Mastrovito of Messrs Mastrovito & Associates. The applicant was represented by Mr Moore of Messrs Carpmaels & Ramsford.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 20 September 2006, by Jean-Michel Farce the President and Managing Director of the opponent company, positions which he has held since December 1982. He states that he is fluent in English. He states that his company was formed in December 1982 and has operated "in France and elsewhere as an independent consultancy" specialising in graphic and structural design, focusing primarily on consumer branding and new product design including new packaging concepts. At exhibits JF2.0-JF2.6 he provides six purchase orders from 3M in Brussels dated July 1989-October 1990. The invoices are all in French with the sums involved shown in French Francs. There is nothing to show use of the mark in the UK. At exhibit JF3.0 and 3.1 are copies of two pages from *Packaging News* July 1991 edition, which has an article on pan-European (including the UK) packaging used by 3M. It credits the opponent company with the design work on the packaging.

7) Mr Farce states that his company has worked for several major brand manufacturers world wide. At exhibits JF4.0-4.7 he provides copies of a powerpoint presentation which has a number of well known firms such as Colgate, Kraft Foods, Danone and ICI listed as clients. Although undated it does mention in the text that the opponent in 2005 had 23 staff. At exhibits JF5.0 – 5.9 he provides a collection of case studies many of which feature well known names but none of which show use in the UK. Six appear to carry dates between July 1999 and June 2002. At exhibit JF6.0 he provides a copy of the opponent's design catalogue for 1998. A large number of the photographs are clearly for products which, judging from the language which can be seen on the products, are not intended for sale in the UK. Mr Farce comments that a number of the names of companies shown are located in the UK. At exhibit 7 he provides copies of correspondence with firms based in the UK such as Reckitt Colman(1996), Boots(1998), Bayer(1999), Del Monte (1999), Foxes Biscuits(1999) all of which appear to be responding, negatively, to approaches by the opponent looking for work. One series of e-mails from Del Monte based in Staines, dated 25 April 2005 –July 2006, invites a company called Herve Baralon to a meeting and is copied to the opponent as they wish to discuss "the use of the IG database". It would appear to indicate that Del Monte are contracting with Herve Baralon, who has sub contracted to the opponent. Also included in exhibit 7 are a number of invoices dated April 1999-September 2004 which are addressed to premises in the UK. Mr Farce

claims that the turnover in relation to the UK has averaged 300,000 Euros in the years 1999-2004. He also claims that clients often refer to his company as “IG” although the only evidence is the series of e-mails with Herve Baralon. At exhibit JF8 he provides invoices for the EU other than the UK.

8) Mr Farce states that there have been instances of confusion. At exhibit 10.0 and 10.1 he provides evidence of two payments from Sarah Lee (France), received in April and July 2004, which were sent to the opponent when they were intended for the applicant. All of the original documents and the letter are in French, although an unauthorised translation has been provided by an unknown person. Mr Farce claims that this error arose because of the letters “IG” in the applicant’s name. At exhibit JF11 he provides a verdict from the French Court, dated June 2004, regarding an infringement action brought by the opponent against the applicant. It is stated that the opponent was successful in this action. Again a translation is provided but it is not correctly attested. At exhibit 12 he provides three e-mails from companies in France and Germany which have a reference to “IG”.

APPLICANT’S EVIDENCE

9) The applicant filed a witness statement, dated 10 July 2007, by Alexander Spark the Finance Director of the applicant company. He states that the company was formed when in April 1996, a number of companies from around the world [Sampson Tyrell (GB), Anspach Grossman Portugal (New York, USA), SidjakovBermanGomez (San Francisco, USA), Artistree (Hong Kong) and Mather Identity (Taiwan)] formally came together as the Enterprise Identity Group. In February 1998 the trade mark ENTERPRISE IG was adopted. The mark ENTERPRISE IG (stylised) was filed on 27 April 1998 and registered under number 2165098. In addition the mark ENTERPRISE IG ACID TEST was applied for on 14 October 1998 and registered under number 2179599.

10) Mr Spark states that his company is one of the world’s leading international brand agencies that has the resources of more than 500 employees covering 22 offices in 20 countries. He provides a list of the offices which shows that the group is global and includes an office in London. The company is part of the WPP group. He provides turnover figures for Enterprise IG which shows that in the years 1998-2004 the UK office had a turnover average of US\$28 million per annum. He also provides a list of blue chip UK companies who have accounts with the applicant. During the period 1998-2004 the London office has spent an average of US\$400,000 per annum on promoting its services. The company has won a number of UK industry awards.

11) Mr Spark states that his company only became aware of the opponent in 2002 when the applicant acquired Brown KSDP Paris and rebranded it under the mark in suit. Following the successful legal action by the opponent the Paris office now trades as ENTERPRISE. Mr Spark provides a number of exhibits which detail work carried out for a variety of companies. At exhibit AS2 he provides a copy of an article from the magazine Marketing, dated July 2007, which lists the top sixty-three design agencies in the UK by turnover. The opponent is not on the list, whilst the applicant is second on the list.

OPPONENT'S EVIDENCE IN REPLY

12) The opponent filed a witness statement, dated October 2007, by Clara Descours the International Sales Manager for the opponent company. She states that she has evidence of actual confusion between the parties. She attaches two sets of e-mail correspondence, one from someone in Germany, the other from someone who would appear to be in Holland. Neither respondent appears to be British, one is Claus Jahnke the other Matthias Georgi. These instances occurred in July and September 2007.

13) That concludes my review of the evidence. I now turn to the decision.

DECISION

14) I first consider the position under section 3(6) which reads:

“3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

15) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

16) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition, but has not shirked from indicating its characteristics. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

17) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant's views about standards of honesty is required. The following passage from Lord Hoffman's judgment sets out the position as follows:-

“14...[Counsel for the defendant] relied upon a statement by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, 174, with which the majority of their Lordships agreed:

“35. There is, in my opinion, a further consideration which supports the view that for liability as an accessory to arise the defendant must himself appreciate that what he was doing was dishonest by the standards of honest and reasonable men. A finding by a judge that a defendant has been dishonest is a grave finding, and it is particularly grave against a professional man, such as a solicitor. Notwithstanding that the issue arises in equity law and not in a criminal context, I think that it would be less than just for the law to permit a finding that a defendant had been ‘dishonest’ in assisting in a breach of trust where he knew of the facts which created the trust and its breach but had not been aware that what he was doing would be regarded by honest men as being dishonest.

“36. I consider that the courts should continue to apply that test and that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he set his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant’s mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to “what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships’ view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about those standards were.”

18) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant’s state of mind regarding the transaction if I am satisfied that their action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

19) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date or at least a date no later than that (*Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21).

20) The opponent's attack under this section has two legs. Firstly, that the opponent had applied for a Community Trade Mark in respect of "IG DESIGN". The mark was applied for on 3 April 1997 and the registration process completed by 17 May 2000. In June 2004, the opponent sued for infringement in France after the applicant began, in 2002, to use its mark in France. The French Court found in favour of the opponent. As such, at the time of the application in suit the applicant was aware of the opponent. Whilst I accept that the applicant would have been aware that the opponent was in business in France, there is no evidence that they were active in the UK. Also the applicant had itself been using the mark in suit in the UK since 1998. It would appear that the opponent and their advisers have convinced themselves that having won an infringement action against the applicant's preventing them using the mark in suit in France, the applicant's are effectively barred from using their mark throughout the EU. Further, they clearly believe that the court victory is conclusive proof that the application in suit was filed in bad faith. They are sadly mistaken on all counts.

21) Secondly, the opponent alleges that the applicant was aware of the opponent as an ex-employee of the opponent is involved in the applicant company. No evidence has been provided to substantiate this contention and Ms Mastrovito accepted at the hearing that this allegation was unsubstantiated by the evidence, but declined to withdraw the ground.

22) The grounds of opposition under Section 3(6) are entirely without merit and are therefore dismissed.

23) I now turn to consider the ground of opposition under Section 5(2)(b) which reads:

"5.-(2) A trade mark shall not be registered if because -

(a)...

(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."

24) An "earlier trade mark" is defined in section 6, the relevant parts of which state:

"6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK), Community trade mark or International trade mark 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,"

25) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in Case C-334/05P *Office for Harmonisation in the Internal Market v Shaker di L.Laudato & C. Sas* (unreported, 12 June 2007) in the following terms:

“33. In this regard, it is settled case-law that the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1); Case C- 342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17; and Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 26).

34. Moreover, the existence of a likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case (see *SABEL*, paragraph 22; *Lloyd Schuchfabrik Meyer*, paragraph 18; Case C-425/98 *Marca Mode* [2000] ECR I-4861, paragraph 40; order in *Matratzen v OHIM*, paragraph 28; *Medion*, paragraph 27; and Case C-206/04 P *Mülhens v OHIM* [2006] ECR I-2717, paragraph 18).

35. According to further settled case-law, the global assessment of the likelihood of confusion, in relation to the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks by the average consumer of the goods or services in question plays a decisive role in the global appreciation of that likelihood of confusion. In this regard, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see *SABEL*, paragraph 23; *Lloyd Schuhfabrik Meyer*, paragraph 25; *Medion*, paragraph 28; *Mülhens v OHIM*, paragraph 19; and order in *Matratzen Concord v OHIM*, paragraph 29).

36. It should be added that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to assess the importance to be attached to those various factors, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer*, paragraph 27).

...

41. It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42. As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

26) In essence the test under section 5(2)(b) is whether there are similarities in marks and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgment mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the services, the category of services in question and how they are marketed. Furthermore, I must compare the applicant’s mark and the mark relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the services covered within the respective specifications.

27) The opponent relies on one earlier trade mark, a registration for the mark I G Design (albeit in a very slightly stylised version as shown in paragraph 3 above) which achieved registration more than five years prior to 14 October 2005, the date on which the application in suit was published. This being the case, the provisions of Section 47(2)(A) introduced under The Trade Marks (Proof of Use, etc.) Regulations 2004 apply, and must be considered before going on to determine the substantive issues. The Proof of Use Regulations place an onus upon the opponent to show that there has been genuine use of its earlier mark within the five years ending with the date on which the application was published. Therefore, the opponent must show use in the period from 15 October 2000 to 14 October 2005, either by it, or by another party with its consent.

28) The opponent’s mark is registered as a Community Trade Mark and the evidence of use shows use of the mark in France. It also shows use with multi national companies whose head office is outside the UK and is the commissioning agent even though the work was, at least partially, for the UK arm. There is, to my mind no evidence of use of the mark in the UK. Although some of the exhibits show packaging designed for the UK market they were commissioned by companies outside the UK. There is no ECJ, Appeal Court or High Court ruling on this. However, in *ILG Ltd v Crunch Fitness International Inc* [2008] ETMR 17 the Office for Harmonization in the Internal Market (Fourth Board of Appeal) said with regard to genuine use of a CTM:

“11 The relevant period is October 1998 to October 2003. Use in one country of the Community, such as Italy, is sufficient (Joint Statements by the Council and the Commission entered in the Minutes of the Council meeting at which the CTMR was adopted, No.B.10, OH OHIM 1996, 607, 613), provided that is it [sic.] genuine.”

29) There is some tension between this finding and with Article 108 2(a) of Council Regulation 40/94 of 20 December 1993 which states:

“(a) where the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use, unless in the Member State for which

conversion is requested the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State”.

30) In the absence of a judgment, other than that from OHIM, in relation to this matter I will assume that the stance set out in paragraph 28 above is correct. The opponent has therefore shown use of the mark on the entirety of its specification.

31) The applicant did raise the question as to whether the use shown was use of the mark as registered, which is slightly stylised. I deemed that the absence of stylisation of the mark in the use shown did not alter the distinctive character of the mark.

32) The opponent contended that it has reputation in the UK as a result of its activities. From the evidence provided I am loathe to accept that the opponent has carried out work for companies in the UK or even offered its wares to UK companies in the five years prior to the date of the publication of the application in suit. However, even if I were to accept that all the evidence of use was within the UK, which it most certainly was not, there was no contextual evidence such as the size of the market, market share, third party evidence of reputation etc with which I could adequately judge whether the opponent had an enhanced reputation. In the absence of such I find that the opponent does not have sufficient reputation that it should enjoy enhanced protection.

33) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

34) I have to consider whether the opponent's mark has a particularly distinctive character arising from the inherent characteristics of the mark. In my opinion, the opponent's mark IG DESIGN is inherently distinctive for design services despite the obvious presence of a descriptive word.

35) I have to determine who is the average consumer of the goods in question. It was accepted by both parties that the average consumer are companies. However, I should not assume that because of this they will all be sophisticated. There will be a wide range of potential clients with intellectual property knowledge ranging across the full spectrum.

36) I shall first consider the specifications of both parties which are as follows:

Applicant's specification	Opponent's specifications
In Class 35: "Business consultancy services; marketing services; advertising services; business research services; publicity services."	In Class 42: Graphic arts (graphic identity), graphic arts designing, packaging design, packaging design services, styling (industrial design), research and development (for others).
In Class 42: "Corporate identity design services, web design services and packaging design services; graphic art services; intellectual property consultancy; corporate identity development and design; brand consultancy services; brand creation."	

37)) I also take into account the comments of Jacob J. (as he was) in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

"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."

38) Clearly, the specifications in Class 42 have a degree of overlap. The applicant's "Corporate identity design services, web design services and packaging design services; graphic art services" must be considered to overlap with the services offered by the opponent. There is far less similarity between the other services in the applicant's Class 42 specification ("intellectual property consultancy; corporate identity development and design; brand consultancy services; brand creation.") and the opponent's services. Offering advice on intellectual property, corporate identity and brands is a very different field to design services. I accept that at some point in creating a brand or corporate identity there will be an element of design required and so these services must be complementary and have some, albeit a quite low, degree of similarity.

39) Moving to consider the Class 35 services in the application with the Class 42 services of the opponent, I first take notice of the comments in the International Classification of Goods and Services (ninth Edition). Under the heading for Class 42 it states as an explanatory note:

"Class 42 includes mainly services provided by persons, individually or collectively, in relation to the theoretical and practical aspects of complex fields

of activities; such services are provided by members of professions such as chemists, physicists, engineers, computer programmers, etc.”

40) It then goes on to states what the Class does not include. The first item of which is “business research and evaluations (Cl.35);”. The opponent did not comment on this in their skeleton argument other than to say they were similar. At the hearing Ms Mastrovito was less than lucid with her contentions. The following provide the gist of her views:

“In business, consultancy is designed to assist business; marketing to promote products and find new customers; advertising and publicity to promote products and businesses, and to increase their reputation; business research to research businesses, markets and products. And we have said all of these are in terms of the method of use. They are all services which are provided to businesses. And that marketing and business research we would say are services which are competitive with the services covered by our registration and which we use.”

And:

“I am saying that all services in Class 35 are services provided to business. They are essentially expert services provided to business. You cannot buy it in Sainsbury’s, if you see what I mean.”



Lastly:

“So I submit that our registration in Class 42 covers all research and development in Class 42 and that, as such, it overlaps with some business research in Class 35 and marketing and market research in Class 35.

Just finally on similarity of services, I would say in connection with the services in Class 42 they are all services which are competitive with the services our clients offer, with the possible exception of intellectual property consultancy.”

41) These contentions are simply incorrect. Market research or marketing are activities covered in Class 35 not 42. The services for which the opponent is registered may well be different from those it actually offers to clients, but for the purposes of Section 5(2)(b) I am required to consider the specifications as registered. In my opinion the services in Class 35 of the application are not similar to the opponent’s Class 42 services.

42) I therefore turn to the marks of the two parties. For ease of reference I reproduce them below:

Applicant’s mark	Opponent’s marks
<p data-bbox="352 1823 695 1861">ENTERPRISE IG</p> 	

43) The opponent contended that:

“The dominant element and the only distinctive element of both marks is “IG”. Both contain other matter which is not trade mark matter in the context of the services, not distinctive and will not be regarded as such by the relevant public.”

44) I do not accept this contention. With regard to the opponent’s mark the letters IG come first in the mark followed by the word DESIGN. Given that the opponent’s mark is registered for, primarily, design services the average consumer would view the mark in precisely the manner set out in paragraph 43 above. The word “Design” aptly describes the activity of the company and therefore has little distinctiveness and as it follows the letters “IG” will not be seen as the dominant element of the opponent’s mark. However, the applicant’s mark is “Enterprise IG”. The word “Enterprise” has a number of meanings such as a business or firm; a project or undertaking; participation in such projects; readiness to embark on new ventures; boldness and energy; an initiative in business.

45) In my opinion the word “enterprise” when used in relation to the services offered by the applicant, albeit aimed at businesses, does not conjure up a specific image or meaning that would result in it being non-distinctive. It does not describe the activities of the opponent. As such it is at least as distinctive as the second part of the mark. The combination “Enterprise IG” gives no further clue as to the services on offer.

46) It is trite law that the beginning of a trade mark is usually the most important element. In this case, the opponent contends that the average consumer would ignore the initial word of the applicant’s mark and instead focus on the second part of the mark. Both parts are going to be taken into account by the average consumer.

47) Clearly, the fact that the letters IG appear in the applicant’s mark provides a degree of visual and aural similarity to the opponent’s mark. Equally clearly, the fact that the shared element is the second part of the mark and that the mark as a whole lacks any coherent message means that there are differences between the marks. Conceptually the opponent’s mark would be seen as referring to the company IG who offer design services. The applicant’s mark would be viewed as a whole and offers no image.

48) At the hearing it was accepted that the average consumer for both parties’ services would be businesses, albeit not necessarily expert.

49) Taking account of all of the above when considering the marks globally, I believe that there is not a likelihood of consumers being confused into believing that the services provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

50) I next turn to the ground of opposition under Section 5(4)(a) which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

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

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

51) The opponent claims that it has reputation under its registered mark and also under the mark “IG”.

52) In deciding whether the marks in question “IG Design” or “IG” offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

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] AC 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 the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

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

the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

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.’”

53) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording

of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced – as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429. In the evidence filed the applicant claims to have first used “ENTERPRISE IG” in February 1998.

54) With these considerations in mind I turn to assess the evidence filed on behalf of the parties in the present proceedings as set out earlier in this decision.

- The opponent clearly wrote to one UK based company offering its services prior to February 1998, with a few more being corresponded with in the following years.
- In 1991 a UK magazine, *Packaging News*, carried a story regarding pan European packaging designed by the opponent.
- Invoices for the years 1999-2004 addressed to UK companies have been filed, but these are after the relevant date.
- The only use of the term “IG” occurs in a series of e-mails with one company, Herve Baralon, none of which appear to have originated from the UK.
- Two instances of confusion between the companies were shown. Both involved the same client, Sarah Lee (France) and occurred in France. It is not clear how or why the payments were mistakenly made.

55) In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J. in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

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

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date....”

56) This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill

for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL 0/191/02.

57) The opponent has shown no reputation or goodwill in the mark "IG" anywhere in the world let alone in the UK. Two instances of a "shorthand" version being used by people outside the UK when writing e-mails to which the opponent was copied in is not sufficient to find reputation or goodwill. The single instance of correspondence with a UK company prior to the relevant date is to my mind insufficient to find goodwill. However, in case I am wrong on this I will continue to consider the ground of opposition with regard to the opponent's registered mark.

58) Earlier in this decision I found that use of the opponent's registered mark, actual or on a fair and notional basis would not result in confusion with the opponent's mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur.

59) The opposition under Section 5(4)(a) of the Act must fail with regard to the opponent's registered mark and also the mark "IG".

60) Lastly, I turn to consider the ground of opposition under Section 5(3) which, in its original form, reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, or International trade mark in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

61) By virtue of regulation 7 of the Trade Mark (Proof of Use, etc) Regulations 2004, Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note indicates:

"These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and use of that sign takes unfair advantage or is detrimental to the distinctive

character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered."

62) It is on the basis that the services are similar that the opponent relies upon under this ground of opposition.

63) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded) O/455/00, Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7 and *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42.

64) The points that come out of these cases are as follows:

a) "Reputation" for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned by the products and services covered by that trade mark (paragraph 26 of the ECJ's judgement in *Chevy*);

b) Protection is available where the respective goods or services are similar or not similar (paragraph 29 of the Advocate General's opinion in *Chevy* and *Davidoff*);

c) The provision is not intended to give marks "an unduly extensive protection" – there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General's opinion in *Chevy* and paragraph 88 of Pumfrey J's judgment in the *Merc* case);

d) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J in the *Typhoon* case);

e) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ's judgment in the *Chevy* case);

f) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition before there can be detriment; but is one form of detriment (paragraph 88 of Pumfrey J's judgment in the *Merc* Case);

g) Detriment can take the form of either making the earlier mark less attractive (tarnishing) or less distinctive (blurring) (paragraph 88 of Pumfrey J's judgment in the *Merc* Case);

h) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *Visa* at page 505. lines 10-17).

65) I also note the following comment from Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

“ 102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

66) Once the matter of reputation is settled any opponent must then show how the earlier trade mark would be affected by the registration of the later trade mark. Both tests require very high hurdles to be cleared. The onus is upon an opponent to prove that his earlier trade mark enjoys a significant reputation or public recognition and he needs to furnish the evidence to support his claim. The evidence provided has been summarised at paragraph 54 above. It is clearly insufficient to clear the considerable first hurdle required by *Chevy*.

67) For the record, I should state that even if I was able to conclude that the opponent had a reputation there is no evidence to suggest that unfair advantage is likely to be given to the applicants or that there will be any detriment caused to the opponent or his trade mark (*Viagra v Viagrene* [2001] FSR 3). Consequently the ground fails.

68) As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs. The opponent did not seek costs off the scale and so I have confined myself to the Registry’s Scale of Costs, although I have awarded a sum slightly higher than normal to reflect the pursuance of a ground under section 3(6) which had no prospect of success. I order the opponent to pay the applicant the sum of £4,000. This sum 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 9th day of April 2008

**George W Salthouse
For the Registrar,
the Comptroller-General**