

O-391-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2456430
BY NIMOGEN LIMITED T/A COTTRILLS TO REGISTER THE
TRADE MARK "ASPIRATIONS" IN CLASSES 16 & 35**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 97662 BY
HOWARD ASSOCIATES (ASPIRATIONS) LIMITED**

BACKGROUND

1. On 23 May 2007 Nimogen Limited t/a Cottrills (Nimogen) applied to register the trade mark ASPIRATIONS for a range of goods and services in classes 16 and 35.

2. Following examination (during which time the specification in class 35 was amended), the specifications read:

Class 16: Printed catalogues, all relating to incentive schemes for staff customers.

Class 35: Business advisory services; all relating to incentive schemes for staff and customers; the bringing together, for the benefit of others, of a variety of jewellery items, watches and clocks, audio and visual equipment, cameras, binoculars, telescopes, small domestic household appliances, kitchen equipment, fridges, freezers, cooking appliances, heating appliances, books, toys, sporting equipment, bicycles, furniture, towels, bathrobes, bedding, duvets, glassware, small domestic utensils and containers, vases, picture frames, photo frames, cutlery, bread bins, figurines, furniture tableware, hand tools and implements, barbecue sets, barbecues, watering cans, hedge trimmers, shredders, gazebos, luggage, leather goods, travel kits, wallets, business card holders, perfume, eau de toilette, aftershave, food, alcoholic, and non-alcoholic beverages, wines, spirits and liqueurs, cosmetics, body care preparations, enabling customers to conveniently view and purchase those goods from a general merchandise Internet website which provides goods for employee incentive schemes; information, advisory and consultancy services relating to the aforesaid services.

3. The application was then accepted and published for opposition purposes on 2 May 2008 in Trade Marks Journal No.6733.

4. On 31 July 2008 Howard Associates (Aspirations) Limited (Howard) filed a notice of opposition. This consists of a single ground based upon section 5(4)(a) of the Trade Marks Act 1994 (as amended) (the Act). In their Statement of Grounds Howard say:

“a) The Opponent has, through long, continuous and extensive use of ASPIRATIONS since 1987, acquired a reputation and goodwill for its services [which it describes as “Creation, development and organising of incentive and loyalty schemes”].

b) Use of the identical mark ASPIRATIONS by the Applicant for identical and similar services and for related goods is a misrepresentation.

c) On account of the Applicant’s misrepresentation the Opponent has suffered or will suffer damage. Such damage to the Opponent’s reputation and goodwill inter alia has resulted or will result in loss of sales or loss of the exclusive use of the mark ASPIRATIONS or both.”

I note that the opposition is directed against all the goods and services in the application.

5. On 26 September 2008 Nimogen filed a counterstatement in which they deny the ground of opposition and put Howard to strict proof. In addition, they say:

“The Applicant is of the firm belief that the Opponent traditionally offered “sales training and incentives” under the ASPIRATIONS brand but only recently this has been extended to “long service and staff retention incentive schemes” for which the Applicant has a significant reputation and goodwill.”

6. Both parties filed evidence. While neither party asked to be heard, Howard filed written submissions which I will refer to as necessary below. After careful consideration of all the material before me, I give this decision.

EVIDENCE

Howard’s evidence-in-chief

7. This consists of two witness statements, dated 22 December 2008 and 27 February 2009 from Sheldon Cohen who is a Director of Howard, a position he has held since 2004; he confirms that he is authorised to speak on Howard’s behalf.

8. In his first statement (which was filed by facsimile) Mr Cohen explains that Howard Associates was formed in 1977 as a partnership and was incorporated in 1984 as a limited liability company under the name Howard Associates (Promotions) Limited. He adds that in 2004 Howard Associates (Aspirations) Limited was formed and by way of agreement the goodwill and business of Howard Associates (Promotions) was transferred to this company.

9. The trade mark ASPIRATIONS was, explains Mr Cohen, adopted in 1987 and has been consistently used since that time in relation to employee recognition and reward programmes, customer loyalty schemes and long service awards. He says that the ASPIRATIONS trade mark has been used in marketing literature to existing and prospective clients, adding:

“and in particular since my company registered the domain name aspirations.co.uk on 4 May 1998”,

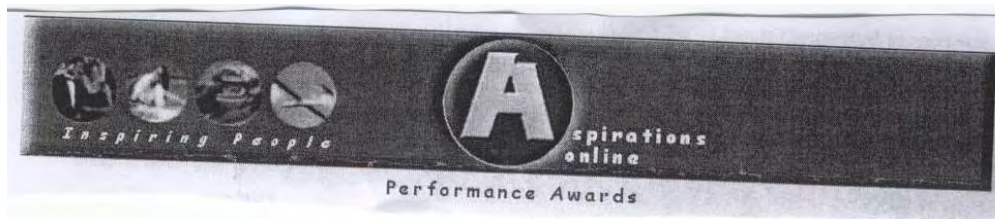
which he says coincided with his company’s launch of what was at the time the first and only internet based award scheme in the industry. He states that Cottrills registered the domain name aspirationsonline.co.uk on 3 December 2002.

10. Mr Cohen says that the ASPIRATIONS trade mark has appeared on his company’s letterhead since 1987, an example of which is provided in the body of his statement. He also provides in the body of his statement screen grabs which he says were taken from

the 1999 archive of his company's website. The word ASPIRATIONS appears in the following formats:



(letterhead)



(website)

11. Mr Cohen states that in the period 1987 to 2007 the average annual turnover of services provided under and by reference to the ASPIRATIONS trade mark was in excess of £1m. He adds that marketing costs varied and comprised direct mail and targeted e-mails inviting companies to visit the Aspirations Employee Recognition and Reward website and Demonstration site, or to contact his company for a presentation. His company's services under the ASPIRATIONS trade mark have, he explains, been promoted at various exhibitions and trade shows including: The Institute of Personnel Management conference held in Harrogate (1988-1990), the Local Authority Catering Association conference (2000-2004) and at various brewery trade, leisure sector and hotel operator exhibitions and conferences (1988-2002). He adds that his company have worked with over 300 leading UK and international companies including: Pfizer, Boots, Compass Plc, Greenalls, Superdrug, Scottish and Newcastle, Allied Domecq, Phillips, Sharp, Shell, Avis and SCA. Exhibit SC1 is said to consist of a copy of the company's prospectus from April 2001. However, as this exhibit was also filed by facsimile transmission, the text and images appearing in the "screen grabs" which form part of the prospectus are either very difficult or impossible to read.

12. The content of Mr Cohen's second statement is much the same as the first. Its primary purpose appears to be to provide the tribunal with images of better quality than those that appeared in the body of his first statement (but not, I note, of an improved version of exhibit SC1 to that statement), and to further explain the history and composition of Howard. He says:

"My brother and I are the majority shareholders in Howard Associates (Aspirations) Limited and I am authorised to make this statement for and on

behalf of [Howard]. I was the founder in 1977 of Howard Associates as a partnership with my wife and subsequently a 50% shareholder with my brother, when in 1984 Howard Associates (Promotions) Limited was incorporated as a limited liability company and the partnership was dissolved. My brother and I retained a 60% share of the business when the entire assets and goodwill of Howard Associates (Promotions) Limited was transferred to Howard Associates (Aspirations) Limited which was incorporated in 2004.”

13. In response to Nimogen’s comment in their counterstatement to the effect that Howard had only recently extended their use of the ASPIRATIONS trade mark to “long service and staff retention incentive schemes”, Mr Cohen provides exhibit SC3 which comprises pages taken from two documents. The first consists of two pages taken from the Winter 1999 edition of a document issued by Income Data Services Ltd under the headings “Personnel policy and practice plus” and “Employee recognition schemes” which at page 54 under the heading “Non-cash incentives” provides a profile of Howard Associates (Promotions) Ltd. I note that the “Contact” information includes a reference to www.aspirations.co.uk and under the heading “Award support facilities” inter alia the following text appears:

“All of its programmes are supported by ongoing cost/benefit measurement and analysis (e.g. sales/profit growth, improvements in staff retention...”

14. The second consists of four pages taken from a document entitled “Managing Best Practice”, “Bonus and Incentive Schemes” published by The Industrial Society and which carries the handwritten date of August 1998. It refers to the “Trailblazers” scheme throughout, and I note the final page contains a Trailblazers credits statement dated 23 April 1998 which contains, inter alia, the following text:

“This scheme is administered by Howard Associates (Promotions) Ltd.”

As far as I can tell, none of the pages mention the ASPIRATIONS trade mark.

Nimogen’s evidence-in-chief

15. This consists of a witness statement, dated 18 June 2009, from Amanda China-Rodriguez who is a trade mark attorney in the employ of William A Shepherd & Son, Nimogen’s professional representatives in these proceedings. Ms China-Rodriguez says:

“I am advised to make this statement of behalf of [Nimogen].”

16. A good deal of Ms China-Rodriguez’s statement consists of submissions rather than evidence of fact; ordinarily I would not summarise these submissions here. However, as they represent the only views I have from Nimogen in these proceedings, I have on this occasion (albeit briefly) included them below. The main points to emerge from Ms China-Rodriguez’s statement are, in my view, as follows:

- it would appear that Mr Cohen is not a Director of Howard Associates (Aspirations) Limited but holds a shareholding of 30%. The Director of Howard is said to be Michael Kenneth Douglas and Lisa Jane Douglas is said to be the Company Secretary (I note that no evidence has been provided to corroborate these claims). As a result, Ms China-Rodriguez says:

“Therefore, I would therefore question the validity of Sheldon Cohen’s ability to pursue opposition on behalf of a company of which he is not a Director although he is purporting to be the same.”

- that Mr Cohen has failed to provide any evidence that Howard Associates (Aspirations) Limited did acquire the goodwill and business of Howard Associates (Promotions) Limited of which he was a Director and which was dissolved on 17 March 2009 (exhibit ACR1 refers);
- that the domain name aspirations.co.uk stands in the name of Howard Associates (Promotions) Ltd (once again no evidence has been filed to corroborate this claim);
- that the letter headed paper provided as exhibit SC2 is undated;
- that no evidence has been provided to support the claimed turnover figures, marketing costs or the companies Howard claim to have worked with;
- Ms China-Rodriguez says:

“In summary, Mr Cohen is purporting to have used the name ASPIRATIONS for some time and I submit that he has failed to prove when such use commenced and the evidence provided does not show specific dates. Whilst Mr Cohen states that he incorporated the domain name aspirations.co.uk on 4 May 1998 and the subsequent domain name aspirationsonline.co.uk some 4 years later he has failed to provide any specific proof that these domains were actually up and running since incorporated. Mr Cohen has in fact clearly failed to prove that he has had long, continuous and extensive use of the ASPIRATIONS name since 1987 and acquired the reputation and goodwill in relation to its services..”

- that Nimogen t/a Cottrills have been using the name ASPIRATIONS since as early as 1994. Exhibit ACR2 is said to consist of a catalogue from 1996 with an attached form to be completed by a Human Resources Department. Exhibit ACR 2 consists of five pages. The first page contains images of a camera, television and a pair of sunglasses below which appears the word and numerals “aspirations 1996” presented in the following format:



the second page contains the image reproduced above accompanied by the following wording:

“Should you require further information regarding your choice of gift, call the Cottrills Presentations Helpline on...”

the third page contains text relating to the currency of the catalogue, the fourth page contains photographs of a television, a pair of sunglasses, a watch and an item which I cannot identify. The fifth page consists of an order form.

- Of this exhibit Ms Chinea-Rodriguez says:

“This clearly proves that the Applicant has been using the name since that date, and I submit that this predates any use by Mr Cohen, as he has clearly been unable to prove any dates on which we can rely in his evidence.”

Howard’s evidence-in-reply

17. Although this consists of four witness statements, I need only mention the further witness statement of Sheldon Cohen dated 22 July 2009, as this includes the remaining three witness statements as exhibits. The main points to emerge from Mr Cohen’s statement are, in my view:

- that he clarified his position in Howard in his second statement. He explains that he controls a majority of the shares and is authorised to pursue oppositions on behalf of Howard. He explains that he owns 30% of the shares and Gary Cohen who owns a further 30% of the shares has vested his voting rights with him;
- that in response to Nimogen’s observation that his evidence-in-chief did not demonstrate that Howard Associates (Aspirations) Limited acquired the assets of Howard Associates (Promotions) Limited, he provides at exhibit SC4 a copy of a letter dated 24 July 2009 from John C Turner (who is a Director of Howard’s auditors DTE chartered accountants) addressed to his professional representatives in these proceedings. The relevant parts of that letter read:

“We acted as accountants and general financial/taxation advisors to Howard Associates (Promotions) Limited for many years prior to the company being formally struck off the register at Companies House in March 2009.

We have been requested to write to you by the former directors/shareholders of the company in connection with, we understand, the re-registration of the domain name: - aspirations.co.uk.

I write to advise that upon the cessation of Howard Associates (Promotions) Limited any remaining trading assets were transferred to Howard Associates (Aspirations) Limited.”

- Mr Cohen states that any remaining assets of Howard Associates (Promotions) Limited not transferred to Howard Associates (Aspirations) Limited including the rights to the domain name became vested in the former shareholders *passi passu* on dissolution, adding that he and Gary Cohen are the only former shareholders. Exhibit SC5 consists of a nominet registration certificate for the domain name aspirations.co.uk with the registrant listed as Sheldon Cohen;
- exhibit SC7 consists of a trade mailer produced in 1988 which lists a number of companies with are said to have “benefitted from a Howard Associates incentive programme.” The names mentioned include: Wessex, Russell Hobbs, Servis, Bally, Philips, Elizabeth Arden, Flymo, Boots, 3M and Co-Op. I note that the mailer contains a reference to “the ASPIRATIONS recognition and reward programme”;
- exhibit SC8 consists of a witness statement, dated 9 July 2009, from Philip Schatzberger of Schatzberger Design and Print confirming that in 1988 he designed and printed the leaflet mentioned at exhibit SC7;
- exhibit SC9 consists of a witness statement, dated 15 July 2009, by David Kissman. Mr Kissman explains that he retired as Group HR Director of the Boots Company in 2002. He states that in 1987 he was employed as the Remuneration and Benefits Manager of the same company. He adds that in that year Howard Associates Limited introduced the Aspirations Employee Recognition & Reward scheme for 47,000 Boots retail employees. The Boots scheme was, he explains, called “Who Cares Wins” and employees would earn points for achievement of a range of performance goals, including sales and customer care. Points were exchanged for prizes, which were supplied by Howard Associates Limited and illustrated in a personalised gift catalogue produced by them. The Aspirations employee recognition and reward scheme was operated by Boots the Chemist between 1987 and 1989;
- Exhibit SC10 consists of a witness statement, dated 12 July 2009, from Anthony Sanders who is currently the Managing Director of the Commercial Division of Interserve PLC. He explains that in 1992 he was employed as the Human Resource Director of Taylor Walker Limited, a division of Allied Domecq. He states that at that time he was introduced to Howard Associates Limited and the Aspirations Employee Recognition and Reward scheme by a sister company, The Victoria Wine Company, who were operating the scheme for their employees. He states that during 1992 he introduced the scheme to 8,000 retail and head office employees, adding that the scheme was called “The Quest” and employees would earn points for achievement of a range of performance goals, including sales, customer care and long service. Like the Boots scheme

mentioned above, points were exchanged for prizes which were supplied by Howard Associates Limited and illustrated in a personalised gift catalogue produced by them. The scheme was operated by Taylor Walker between 1992 and 1994;

- In relation to Nimogen's claimed use of the ASPIRATIONS trade mark provided as exhibit ACR2 to Ms China-Rodriguez's statement, Mr Cohen says:

“..exhibit ACR2 might be a number of things, it is however, not proof that her clients used the name aspirations in 1994, 1996 or at all and clearly cannot be relied upon in evidence.”

18. That concludes my review of the evidence filed in these proceedings to the extent that I consider it necessary.

Decision

19. The opposition is based solely on section 5(4)(a) of the Act which reads as follows:

“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

(b)

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

20. In reaching a conclusion on this ground of opposition, I note that in their written submissions Howard refer me to the decision of the Appointed Person, Mr Geoffrey Hobbs QC, in *Wild Child Trade Mark* [1998] RPC. 455. In that decision Mr Hobbs said:

“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.”

The material date

21. First I must determine the date at which Howard’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the CFI in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the CFI said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (Cadbury Schweppes v Pub Squash (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

22. The date of filing of Nimogen’s application is, therefore, the material date. However, if Nimogen have used their ASPIRATIONS trade mark prior to this then this use must also be taken into account. It could, for example, establish that Nimogen is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that Nimogen’s use would not be liable to be

prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer.

Nimogen’s pre-application use

23. I note that in their counterstatement Nimogen refer to their reputation and goodwill in relation to “long service and staff retention incentive schemes”. In addition, in her witness statement Ms China-Rodriguez states that Nimogen have used their ASPIRATIONS trade mark since 1994 and she provides as exhibit ACR2 what she describes as a catalogue, which I note refers to Cottrills and which bears a date of 1996. In their written submissions Howard say:

“7...Miss China-Rodriguez’s witness statement is somewhat short on facts and even when the opportunity to claim that the applicant had been using ASPIRATIONS since as early as 1994 presents itself, she fails to provide any evidence to substantiate that claim. Exhibit ARC2 allegedly supports said claim but all that the exhibit proves is that there was a catalogue entitled “aspirations 1996” containing various gift items which could be ordered on the attached form. The exhibit does not prove any use of the name ASPIRATIONS in relation to the services in class 35 covered by the present application.”

24. Absent further information such as to whom and where Nimogen have provided these services, whether the ASPIRATIONS trade mark has been promoted and if so by what means, amounts spent on promotion and income generated from the operation of the service under the trade mark, I have no hesitation in agreeing with Howard that exhibit ARC2 falls a long way short of establishing that Nimogen have used the ASPIRATIONS trade mark since 1994 or 1996 or indeed at all. That being the case, Nimogen’s claimed pre-application use has no bearing on the case before me, as they cannot claim a senior user status or that they have a concurrent goodwill.

Did Howard have goodwill at 23 May 2007?

25. I now turn to consider whether Howard had goodwill at the material date. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 223 in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

26. I also note from the relevant case-law that to qualify for protection under the law of passing off the level of goodwill must be of more than a trivial nature, *Hart v Relentless Records* [2002] EWHC 1984; however, goodwill can be established by small operators – *Stacey v 2020 Communications Plc* [1991] FSR 49.

27. In their written submissions Howard say:

“10. In view of the evidence filed by and on behalf of the opponent we submit that the opponent has met the requirements of the first element that its services have acquired a goodwill or reputation in the market and are known by reference to the name ASPIRATIONS. The applicant admitted as much in its counterstatement....”

28. I note that in their initial letter to Howard of 13 August 2007 (exhibit SC6) and again in their counterstatement Nimogen say:

“The Applicant is of the firm belief that the Opponent traditionally offered “sales training and incentives” under the ASPIRATIONS brand but only recently this has been extended to “long service and staff retention incentive schemes.”

29. In her statement Ms Chinea-Rodriguez’s questions both Mr Cohen’s position as a Director of Howard (and his corresponding authority to pursue this opposition on their behalf), and his claim that Howard acquired the goodwill and business of Howard Associates (Promotions) Limited in 2004. In his second statement in chief and third statement (in reply) Mr Cohen clarifies his position in Howard and his authority to take action on their behalf; his reply statement has not been challenged either by way of further evidence or by requesting his cross-examination. In those circumstances, I accept that Mr Cohen has the necessary authority in Howard to instruct the instigation of these opposition proceedings on their behalf.

30. In response to the second point above, Mr Cohen provided a letter dated 24 July 2009 from John C Turner a Director of DTE chartered accountants which I have summarised above at paragraph 17. This is hearsay evidence and must be assessed as such under the provisions of section 4 of the Civil Evidence Act 1995 – the comments of the Appointed Person in *Duccio Trade Mark* (BL O/343/09) refer. Having done so, and while I note that the letter appears to have been written in the context of a different issue (i.e. the re-registration of the domain name), there is nothing to suggest that had he been asked to do so Mr Turner would not have provided the information contained in his letter in the form of a witness statement. As I see no reason to doubt the veracity of Mr Turner’s comments, and in the absence of any challenge to them from Nimogen in the form of either further evidence or a request for him to be cross examined, I am prepared to accept that this evidence when taken together with the evidence of Mr Cohen, is sufficient for me to conclude that Howard acquired the business and goodwill of Howard Associates (Promotions) Limited.

31. As to the use Howard have made of their ASPIRATIONS trade mark, Mr Cohen explains that it was first adopted in 1987 adding that it has been used consistently since that time in relation to employee recognition and reward programmes, customer loyalty schemes and long service awards. It appears from their counterstatement and evidence that Nimogen accept that Howard have used their ASPIRATIONS trade mark in relation

to sales training and incentives but comment that this has only recently been extended to long service and staff retention incentive schemes. I will review Howard's evidence with these comments in mind.

32. Turning first to the form in which the ASPIRATIONS trade mark appears in Howard's evidence, in paragraph 10 above I have reproduced the manner in which Mr Cohen says that the ASPIRATIONS trade mark has appeared on their letterheads since 1987 and a screen grab showing how it was presented on their website in 1999. I note that in the IDS document (exhibit SC3) which dates from 1999 the word appears in the context of the domain name www.aspirations.co.uk, in the trade mailer from 1988 (exhibit SC7) it appears in block capital letters, and in the prospectus (exhibit SC1) which is said to date from 2001 it appears in a range of different formats.

33. Insofar as the goods and services on which the ASPIRATIONS trade mark has been used are concerned, I note that the trade mailer from 1988 contains the following text:

"If you are a retailer we can stimulate the interest and participation of your staff in all aspects of your business with special emphasis on multiple sales and customer care, by introducing the ASPIRATIONS recognition and reward programme."

34. The IDS document from 1999 contains, inter alia, under the headings: (i) "Company background", (ii) "Staff support", (iii) "Award products" and (iv) "Award support facilities" the following text:

- (i) "Customised staff recognition and reward programmes now account for some 70 per cent of business".
- (ii) "A team of 40 including IT and HR specialists delivering and supporting all aspects of incentive programmes."
- (iii) "An almost unlimited range of non-cash award products can be supplied including high street retail vouchers, merchandise, travel and leisure activities. Many of its programmes are supported by a client-customised gift catalogue giving employees access to over 5,000 products.
- (iv) "Product sourcing, warehousing and redemption facilities, including the home delivery of gifts, are provided. A full design and planning consultancy is available for the creation of tailored staff motivation programmes. It has particular experience in techniques for maximising sales opportunities, customer care standards, training effectiveness and the promotion of employee behaviour in line with company values. All of its programmes are supported by ongoing cost/ benefit measurement and analysis (e.g. sales/profit growth, improvements in staff retention and customer care audit results). "

35. The first page of the prospectus from 2001 includes the following text:

“A recognition and reward programme that puts you in control of your employees performance.”

I note the body of the document contains the following text:

“Our focus is on education, motivation, inspiration, aspiration, communication, measurement, recognition and reward.”

“Whether you want to increase sales, customer satisfaction rating or reduce staff turnover, we can help you plan and implement a recognition and reward programme which is simple, self financing, profit generating and fun.”

“Powerful software developed by a team of HR, motivation and IT specialists, links key business elements including sales, customer care, training and staff retention..”

36. In addition, I note that the witness statements of Messrs. Kissman and Sanders indicate that their organisations introduced the Aspirations Recognition and Reward scheme in 1987 and 1992 respectively and that the scheme ran in their organisations until 1989 and 1994 respectively.

37. In his evidence Mr Cohen states that the ASPIRATIONS trade mark has been promoted at trade shows and exhibitions (whose dates range from 1988 to 2004) and that between 1987 and 2007 the average annual turnover of services provided under the ASPIRATIONS trade mark was in excess of £1m. He mentions that Howard have worked with a range of clients which he names in his first statement, and in his reply statement he provides a trade mailer from 1988 in which a range of Howard’s clients are shown.

38. In response to Nimogen’s criticisms that his statements in chief failed to provide evidence in relation to turnover and promotion under the ASPIRATIONS trade mark, Mr Cohen says in his evidence in reply:

“4. [Nimogen] have already accepted our traditional use of the name Aspirations in their previous correspondence and notice of defence and counterstatement, hence no further details were provided. Motivation specialists most commonly charge a fee for advising on, developing and operating incentive schemes and outsource all or part of any merchandise or service fulfilment...We believe therefore that there is no relevance in their requesting turnover figures.

5. As above, we do not see the relevance in view of their acknowledgement of our traditional use of the name. [Nimogen] are requesting confidential trade information of no relevance to the action, particularly as the correlation between

a company's marketing spend and turnover can be fundamental to a company's performance. As we are able to provide evidence of the timeframe, scale and scope of activities by other, more reliable means, we feel that their request is unreasonable, unnecessary and unjustifiable."

39. In order to make an assessment of whether or not Howard have goodwill in a business conducted under the ASPIRATIONS trade mark, I must be possessed of sufficient information to reach an informed conclusion. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 Pumfrey J 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 Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472).

Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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

40. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J commented directly upon *South Cone* in the following terms:

"8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

41. In his decision in *Extreme Trade Mark* (BL O/161/07), the Appointed Person said, inter alia:

"Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.."

42. These comments led the registrar to issue guidance in the form of Tribunal Practice Notice (TPN) 5 of 2007 the relevant parts of which read:

"2. Invitations to disbelieve a witness's evidence arise in the context of factual statements such as "the mark was used in this form by placing it in the window of shop A in relation to goods B at location C between the dates D and E." However, statements of fact can take other forms. For example, in the context of an allegation of bad faith, what one witness says he told another is a statement of fact. If the evidence consists, as it should, of fact, then the party wishing to have it disbelieved must raise the issue in a way that permits the witness to answer the criticism that his or her evidence is untrue. This can be done by filing written submissions stating why the witness should not be believed in a time frame which gives the witness an opportunity to supplement his or her evidence (if he wishes) before the matter falls to be decided.

3. Normally, this will mean the opposing party making written observations within the period allowed for the filing of its evidence in response to the witness's evidence explaining why the witness should not be believed. Alternatively, the opposing party can file factual evidence in reply of its own which shows why the evidence in question should not be believed. In the further alternative, the opposing party can ask to cross-examine the witness in question at a hearing."

43. When considered in totality Howard's evidence is far from perfect and a number of Nimogen's criticisms have merit. For example, the most recent piece of evidence provided i.e. the prospectus at exhibit SC1 dates from 2001 some six years prior to the material date in these proceedings. The independent evidence from Messrs. Kissman and Sanders comments on use by their organisations which ended in 1989 and 1994 respectively. In addition, no concrete evidence such as invoices etc. have been provided to show amounts earned from the provision of the services, nor for example have copies of the direct mail or targeted e-mails promoting the services, or brochures showing attendance at the various exhibitions and trade shows been provided. I do of course note that Mr Cohen responded to Nimogen's criticisms of his evidence to the extent that he considered it necessary, and Nimogen have not requested leave to file further evidence, nor have they sought to cross-examine him.

44. Having considered the totality of Howard's evidence in the light of Nimogen's criticisms and the comments in *South Cone*, *Minimax* and *Extreme*, I have come to the conclusion that given his position in Howard Mr Cohen is well placed to provide direct evidence on the use that they have made of their ASPIRATIONS trade mark. While Nimogen have challenged his evidence in chief, this appears to me to be more of a challenge in the sense of a lack of substantiation rather than a suggestion that Mr Cohen's evidence should be disbelieved. In his evidence in reply Mr Cohen has explained why, in his view, evidence relating to Howard's turnover, promotional spend and client list is unnecessary. Some of these comments are, in my view, somewhat misguided, as it is exactly this sort of information (some of which in fairness has been provided) I would have found helpful.

45. However, notwithstanding those criticisms, I have come to the conclusion that the totality of Howard's evidence is sufficient for me to conclude that they have made use of their ASPIRATIONS trade mark in various formats and to a reasonable level since 1987 (although I am given no indication of the size of the market for such services or the number of players in it). Insofar as the services on which the ASPIRATIONS trade mark has been used, in his first statement Mr Cohen says the trade mark has been used on "employee recognition and reward programmes, customer loyalty schemes and long service awards." I noted above that Nimogen appear to accept that Howard have used their ASPIRATIONS trade mark on "sales training and incentives" but comment that: "only recently this has been extended to long service and staff retention incentive schemes." In my view the evidence provided focuses primarily on the use that Howard have made of their ASPIRATIONS trade mark on (to use Mr Cohen's terminology) employee recognition and reward programmes, an element of which (as the quotations above indicate) relates to training and staff retention. It is these services (and the gift catalogues which are an integral part of them), which form the bedrock of Howard's goodwill in the business conducted under their ASPIRATIONS trade mark. As to with whom this goodwill has been built up, I agree with the following comments in Howard's written submissions:

"The relevant public may include the general public but the services in particular would be limited to trade or specialist purchasers. It is unlikely that the participants in these incentive and reward schemes, namely staff and customers, will be aware that such schemes are being operated on behalf of their employer"

46. In summary, I have concluded that the length and extent of Howard's use has generated goodwill in a business conducted under the ASPIRATIONS trade mark, and that this goodwill is primarily in the context of employee recognition and reward programmes and the associated gift catalogues. I have also concluded that this goodwill is likely to be primarily with those in the trade (employers for example), although I do not rule out that goodwill will also exist with those (primarily it would appear employees) of the organisations who participate in the schemes operated by Howard.

Misrepresentation

47. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341 Lord Oliver described misrepresentation thus:

“...[the plaintiff] must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name.”

48. In their written submissions Howard say, inter alia:

“12. The goods and services in respect of which the applicant is seeking registration of ASPIRATIONS all relate to “incentive schemes”, all of which are identical or very similar to the opponent’s services provided under and by reference to the mark ASPIRATIONS, namely, creation, development and organising of incentive and loyalty schemes.”

49. Given my conclusions in paragraph 46, I have no hesitation in agreeing with Howard’s comments above. Nimogen’s trade mark consisting as it does of the word ASPIRATIONS presented in block capital letters is identical to one of the forms in which Howard have used their ASPIRATIONS trade mark and is highly similar to the other forms in which it has been used by them. In addition, the goods and services for which Nimogen have sought registration are either identical or highly similar to the goods and services for which I have already concluded Howard possess goodwill.

Damage

50. In relation to damage, it is useful to consider the comments of Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 where he stated that the claimant must prove:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill attaches.”

51. In their written submissions Howard say:

“13. The question of damage arises under the third heading of the passing off test and we submit that where there is misrepresentation damage will follow. In

Mecklermedia Corporation v D C Congress Gesellschaft mbH [1997] FSR 627 Mr Justice Jacob said:

“Now in some cases one does indeed need separate proof of damage. This is particularly so, for example, if the fields of activity of the parties are wildly different (e.g. Stringfellows v McCain Foods (GB) Ltd [1984] RPC 501, nightclub and chips). But in other cases the court is entitled to infer damage, including particularly damage by way of dilution of the plaintiff’s goodwill.”

14. We submit that in the circumstances of the present case damage, in terms of potential loss of trade or reputation, can be inferred. Use of the mark ASPIRATIONS would not be under the control of the opponent and where there is confusion as to goods or services this will result in damage to goodwill and reputation and/or result in damage through diversion of trade.”

52. Once again, I agree with Howard’s comments. The trade mark applied for by Nimogen and the sign under which Howard have conducted a business are either identical or highly similar as are the respective goods and services. The potential for damage to Howard is not just likely, it is, in my view, inevitable.

53. As a result of these conclusions, the opposition under section 5(4)(a) of the Act succeeds in its entirety.

Costs

54. In their written submissions Howard refer to their attempts to resolve this dispute amicably with Nimogen. In Howard’s view the attitude adopted by Nimogen in relation to these attempts resulted in increased costs.

55. While I note the contents of the documents attached to Howard’s written submissions and agree that in principle parties ought insofar as it is possible to try and reach an amicable resolution to disputes through negotiations, on occasion this may not be possible. The fact that Nimogen chose not to take any further part in the discussions may have reflected a view on their part that they had a strong case and were likely to be successful. Regardless of Nimogen’s motivation, it is not, in my view, a matter that ought to be reflected in costs.

56. That said, Howard have been successful and they are entitled to a contribution towards their costs on the normal basis. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I award costs to Howard on the following basis:

Preparing a statement and considering the other side’s statement:	£400
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Official fee:	£200
Preparing evidence:	£800
Written submissions:	£400
Total:	£1800

57. I order Nimogen Limited t/a Cottrills to pay to Howard Associates (Aspirations) Limited the sum of £1800. 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 17 day of December 2009

C J BOWEN
For the Registrar
The Comptroller-General