

O-047-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATIONS UNDER Nos. 83739 AND 83740
BY WHITE-EAGLE (EUROPE) PLC
FOR DECLARATIONS OF INVALIDATION OF REGISTERED TRADE MARKS
Nos. 2498585 AND 2498584 STANDING IN THE NAME OF
CORPORATE INNOVATIONS

AND


IN THE MATTER OF AN APPLICATION UNDER No. 2525620
BY WHITE-EAGLE (EUROPE) PLC
AND OPPOSITION THERETO UNDER No. 100131
BY CORPORATE INNOVATIONS

Background

1. This decision concerns three actions:

- 1) An application under No. 83740 by White-Eagle (Europe) Plc for the invalidation of registration No. 2498584 in the name of Corporate Innovations;
- 2) An application under No. 83739 by White-Eagle (Europe) Plc for the invalidation of registration No. 2498585 in the name of Corporate Innovations; and,
- 3) An opposition under No. 100131 by Corporate Innovations against application No. 2525620 in the name of White-Eagle (Europe) Plc.

2. Details of the respective marks are as follows:

2498584	2498585	2525620
<p>FREEDOMCARD247</p> <p>Application date: 25.09.2008</p> <p>Registration date: 6.03.2009</p>	<p>FREEDOMCARD</p> <p>Application date: 25.09.2008</p> <p>Registration date: 13.02.2009</p>	 <p>Application date: 7.09.2009</p> <p>Publication date: 1.01.2010</p>
<p>Credit card, banking card, debit card and other financial card services</p>	<p>Credit card, banking card, debit card and other financial card services</p>	<p>Financial services; financial services relating to the organisation, management, operation, provision and use of cards, electronic cards, magnetic cards, encoded cards, pre-paid cards, cash cards, charge cards, debit cards, payment cards and discount cards; banking and credit services; providing credit card, debit card, charge card and stored value prepaid card services; stored value electronic purse services; providing electronic funds and currency transfer services; electronic payments</p>

		services; prepaid telephone calling card services; cash disbursement services; dissemination of financial information via the Internet and other computer networks; financial services provided over the telephone and by means of a global computer network or the Internet; remote payment services; transaction authorization and settlement services; issuing, processing and redemption of electronic and magnetic cards; management of card services; payment transaction card services; information, advisory and consultancy services relating to the aforesaid services.
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3. Both invalidations actions by White-Eagle(Europe) Plc (“White”) are based on a single ground brought under section 5(2)(b) of the Act. White relies on its registration No. 2495349. This registration is for the mark Freedom FX registered in respect of *foreign exchange prepaid debit card services*. It was applied for on 15 August 2008 and completed its registration process on 6 February 2009.

4. Corporate Innovations (“Corporate”) filed identical counterstatements in which it denies there to be any likelihood of confusion between the respective marks.

5. The opposition action by Corporate is also brought under a single ground under Section 5(2)(b) of the Act. In this regard, Corporate relies on its registration Nos. 2498584 and 2498585 (the registrations against which the invalidation actions are directed). White filed a counterstatement denying the ground of opposition. It denies that Corporates’ marks are valid and denies there is any likelihood of confusion between the respective marks.

6. Each set of proceedings were consolidated. Both parties filed evidence. The matter came before me for a hearing on 24 January 2011 when White was represented by Mr Simon Coles of Graham Coles & Co, its trade mark attorneys. Corporate was similarly represented by Mr Matthew Gardner of The Trade Marks Bureau. Having heard submissions from both parties in relation to the invalidation proceedings, Mr Gardner asked for, and was granted, a short adjournment of the hearing to allow him to contact his clients. On recommencement of the hearing, Mr

Gardner advised that his clients wished to withdraw the opposition proceedings. On that basis, I have only the invalidation proceedings to consider.

The evidence

7. Both Mr Coles and Mr Gardner filed witness statements (both as evidence in chief and as evidence in reply). As each of the witness statements consist essentially of submissions, I do not intend to summarise them. I do, however, take them into account and will refer to them as necessary in this decision.

Decision

8. The applications for a declaration of invalidation of the registration are brought under the provisions of section 47(2) of the Act. This states:

“47.-(1)

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

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

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

(3) ...

(4) ...

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

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

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

9. Each of the proceedings are founded on section 5(2)(b) of the Act which states;

“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.”

10. An earlier trade mark is defined in section 6 of the Act, 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) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b)
- (c)

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

11. Whilst registration No. 2495349 relied upon by White is an earlier mark under Section 6 of the Act, it is not subject to the proof of use provisions set out in Section 6A of the Act

Comparison of services

12. Services are considered to be identical where a specific service is included within a general service and vice versa (see *Gérard Meric* Case T- 133/05). As White’s services are included within the *debit card services* of Corporate’s registrations, identical services are involved. Debit cards are a type of banking card which provide financial services. *Debit cards* are therefore also identical to *banking cards and other financial card services*. Whilst prepaid debit cards limit the users’ expenditure to the amount of money which has been credited to that card (rather than allowing the borrowing of further money on credit), they are highly similar to *credit cards* in that they both allow for electronic payment.

The average consumer and the nature of the purchasing process

13. Mr Gardner, for Corporate, submits that the services are:

“likely to be bought by the general adult public. Whilst the initial contact may be made in a variety of ways such as by direct contact by the provider (whether by telephone, mail shot or an approach in the street) or by the

prospective purchaser making contact (again, by telephone, via the Internet or through a visit to the provider's office), they are specialist services and a greater deal of attention is likely to be paid during the actual purchasing process. This is because of the need to ensure the product meets the needs of the purchaser, the financial commitment likely to be involved (interest rate or exchange rates, terms and conditions of contract etc.) and the need to go through some sort of application and vetting procedure (highly likely to involve form-filling) to enable the provider to establish e.g. the purchaser's creditworthiness etc. and to comply with any statutory or other regulatory requirements and which may lead to the application being rejected".

14. He also submits, however, that:

"The services in question are debit and credit card services that are usually purchased aurally. Subsequently, a greater consideration should be given to the aural comparison".

15. For its part, White says:

"The selection and purchase of the financial services of the Application and particularly the card services....are likely to be made by the customer largely on a visual basis. These services are typically promoted via the Internet and by direct mail, which are almost exclusively visual media. The purchase of these services generally involves the completion by the customer of a detailed application form, which is often provided and completed online, with the customer subsequently receiving their debit or credit card by mail. The selection, purchase and delivery of the services is therefore commonly completed entirely on a visual basis without an direct personal contact between the customer and any representative or agent of the provider of the services. The customer is therefore likely to rely particularly heavily on the visual and conceptual impressions of the relevant marks".

16. It is clear that the relevant services may be brought to the potential purchaser's attention in a variety of ways, however, I consider it likely, given their nature, that such services will involve the presentation of written documentation and the completion of an application or agreement form at some point during the process. The visual aspect is thus likely to be of greater relevance but not to the extent that other considerations are immaterial. These are services likely to be bought by adult members of the general public but they may also be bought by business users. These are services which are likely to be bought with some degree of care, though not necessarily the highest degree.

Comparison of marks

17. The marks to be compared are as follows:

Corporate's registrations	White's earlier mark
FREEDOMCARD247 (2498584)	FREEDOM FX (2495349)
FREEDOMCARD (2498585)	
Credit card, banking card, debit card and other financial card services	Foreign exchange prepaid debit card services

18. Corporate's mark No. 2498585 is for the mark FREEDOMCARD. Whilst presented as one word, it naturally breaks down into its two component parts, FREEDOM and CARD. As the services for which it is registered are various types of card services, it is the word FREEDOM which is the dominant and distinctive element of the mark. Corporate's mark No. 2498584 is for the mark FREEDOMCARD247. Again, this is presented as a single entity but again it naturally breaks down into its component parts, FREEDOM, CARD and 247. In addition to the descriptiveness of the word CARD in relation to the services, the numerals 247 are descriptive of services provided or available 24 hours a day, 7 days a week (see SCO1). Again, it is the word FREEDOM that is the dominant and distinctive element of this mark.

19. The earlier mark also contains the word FREEDOM, in this case with the suffix FX. Mr Coles states that the letters FX are "a common abbreviation for 'foreign exchange'" and is therefore descriptive of foreign exchange debit card services. He exhibits, as SCO2, copies from a range of websites and dictionaries to support his claim. Mr Gardner submits, somewhat cryptically,

"presuming that the relevant consumer ...understands that the initials FX stand for "Foreign Exchange", they will see the mark to mean "Freedom Foreign Exchange", the majority of consumers may see the initials FX as nothing else but the initials FX. The initials FX are also commonly used abbreviation to mean "effects" and consumers may see the mark to mean "Freedom Effects".

20. Both parties filed extracts from a number of dictionaries to support their case as to the meaning and level of recognition (if any) of the letters FX however, as some dictionaries are more comprehensive than others (e.g. a concise dictionary cannot be expected to have as many entries as a more comprehensive one), I do not derive any great assistance from this evidence. There is no dispute that the letters FX have a number of meanings. They may mean different things to different people (and, indeed, may mean nothing at all to some) depending on the context in which they are used. When used in relation to the services at issue here, I have no doubt that many will recognise it as an abbreviation meaning foreign exchange. Again, in my view, it is the word FREEDOM that is the dominant and distinctive component of the mark.

21. Given that each of Corporates' marks begins with the word FREEDOM, there is a high degree of visual similarity between each of them and the earlier mark. The same is true from an aural perspective. From the conceptual perspective, each of the marks is likely to bring to mind a card which offers some flexibility with the numerals 247 bringing to mind constant availability with the letters FX bringing to mind foreign exchange. In my view, there is a reasonably high degree of similarity between each of the respective marks from the conceptual perspective.

22. The marks are similar to a high degree.

Likelihood of confusion

23. In reaching a decision on whether there is a likelihood of confusion, I must make a global assessment based on all relevant factors. The decision of the General Court in *New Look Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* joined cases T-117/03 to T-119/03 and T-171/03, indicates that the circumstances in which the relevant goods and the marks are encountered by the consumer, particularly at the point at which the purchase is made, is an important consideration. But I also have to make an assessment of all relevant factors and take into account the fact that the consumer will rarely have an opportunity to compare marks side by side but will instead rely on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* paragraph 27). I also have to take into account the distinctiveness of the earlier mark. I have no evidence of any use of the earlier mark and therefore only have its inherent characteristics to consider.

24. Mr Gardner exhibits, at MG1, a printout from the:

“UK & EC Trade Marks Registers (using the Marquesa search system) that shows other marks incorporating the word Freedom in respect to financial services within Class 36”.

He says that:

“we are fully aware that in most cases where reference is made to existing marks on the Register that it is considered “state-of-the-Register” evidence (MADAM case) but the purpose of the Exhibits is to prove that consumers are used to seeing the word FREEDOM being used in respect to the provision of financial services and that it is unlikely that any trade mark significance will be placed on this word alone or in the alternative that it would have a lesser degree of distinctiveness”.

25. As has been said many times, state of the register evidence does no such thing as prove what “consumers are used to seeing”. Presence on the register does not equate to presence in the marketplace. Absent any evidence of any actual use of the mark shown in the exhibit, there is no proof that any consumer has even encountered them. At MG3 Mr Gardner exhibits a number of Internet prints intended to show other parties use of the word Freedom in relation to financial services. At the hearing, he indicated his wish to withdraw some of this evidence insofar as it relates to Visa Infinite Freedom. All of the remaining pages of this exhibit were downloaded

on 30 September 2010, and therefore date from after the relevant date in these proceedings. Not all of the pages come from the providers' own websites, but in any event, the pages show the word FREEDOM used in conjunction with, and subsidiary to, other trade mark matter. I do not consider this material assists me.

26. The word FREEDOM is, as I have already indicated, an ordinary, everyday word. Whilst it may bring to mind unrestricted use or access to a service, it does not describe the service itself. It seems to me to have at least a modest degree of inherent distinctiveness in relation to the services at issue. Even if the word FREEDOM had a limited distinctiveness, I do not consider that this would have an effect upon the issue of confusion. As was stated in *L'Oréal SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-235/05 P*:

“45 The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

27. I have to make a global assessment based on all relevant factors. I have found each of the respective marks to have a high degree of visual and aural similarity and a reasonably high degree of similarity from a conceptual perspective. I have found the respective services to be identical or highly similar. Taking all relevant factors into account, I find that there is a likelihood of confusion between each of Corporates' marks and the earlier mark. That being so, the applications for a declaration of invalidity in respect of registration Nos. 2498584 and 2498585 succeed. Each of the registrations is to be declared invalid under the provisions of section 47(6) of the Act and deemed never to have been made.

Costs

28. White's applications for invalidation of registration Nos. 2498584 and 2498585 have succeeded and it is entitled to an award of costs in its favour. I take note that the proceedings were consolidated at any early stage, that the two invalidation pleadings were identical and that each of the counterstatements filed were no more than a bare denial set out in a single short sentence. I also take note that the "evidence" filed by both parties was largely submission with the exhibits consisting of but a few pages largely downloaded from the Internet. In addition I note that it was

not until well into the hearing that the opposition proceedings were withdrawn. In the circumstances, I make an award on the following basis:

For filing and reviewing the pleadings:	£400
Fees:	£400
For reviewing evidence:	£200
For preparation for and attendance at a hearing:	£400
Total:	£1,400

29. I order Corporate Innovation to pay White-Eagle (Europe) Plc the sum of £1,400. 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 the case should any appeal against this decision be unsuccessful.

Dated this 16 day of February 2011

**Ann Corbett
For the Registrar
The Comptroller-General**