

TRADE MARKS ACT 1994

IN THE MATTER OF Trade Mark registration N^o. 2201211
in the name of GI Group plc

AND

IN THE MATTER OF opposition thereto under
N^o. 50888 by Punch Retail Ltd.

DECISION

1. The application at issue, applied for on 25th June 1999, is for the mark Q-BAR, and specifies the following goods:
 - Class 41: 'Nightclub and discotheque services; party, conference and function planning; live performances; television and radio production services; rental and production of sound recordings; entertainment club services'.
 - Class 42: 'Catering for the provision of food and drink; café, restaurant and catering services; snack bars; bar and pub services; sandwich bars and take-away restaurant services; cocktail lounge services; provision of accommodation; bodyguard and doorman services; provision of facilities for exhibitions, functions and conferences'.
2. Registration of this mark is opposed, for the services in Class 42, by Punch Retail Limited on grounds under ss. 5(2)(b) and 5(3) of the Act, based on an earlier mark, and under s. 5(4)(a), based on the opponents' proprietorship of an earlier right. The application is also opposed in that it is said to be devoid of distinctive character within the provisions of s. 3(1)(b).
3. The earlier mark cited by the opponents is registration N^o. 2045259, Mr. Q's, which was registered on 15th May 1996, and specifies the following goods and services:
 - Class 16: 'Paper; printed matter; photographs; instructional and teaching material (except apparatus); playing cards'.
 - Class 25: 'Articles of outer clothing; headgear'.
 - Class 32: 'Beer, ale, lager and porter; other alcoholic drinks included in Class 32'.
 - Class 41: 'Organisation, promotion and staging of competitive events; provision of indoor sporting facilities'.
 - Class 42: 'Restaurant, hotel, motel, snack bar and public house services; catering services; room hire services'.
4. At a hearing on this matter, held on 26th April 2002, the opponents were represented by Mr. Hickey of Messrs. Castles, and the applicants by Mr. Brandreth of Counsel, instructed by Messrs. Murgitroyd & Co.

EVIDENCE

5. The opponents' evidence is presented in a Statutory Declaration by their Commercial Director, Mr. Andrew Ronald Knight. He explains that the mark has been used in the UK 'in relation to public houses' since 1987, of which 250 were outlets trading under the name on the application date, widely distributed throughout the UK (see Exhibit AK 1 which displays a comprehensive map of the opponents' establishments). A further eight outlets (one near Sheffield, two in the Wolverhampton area, two in or near Oxford, and a further three in the sought east) were branded Q's in early 2000, but this is outside the relevant date of 25th June 1999.
6. Sales values for the Mr. Q's public houses are given:

| Year | Value of Sales |
|------|----------------|
| 1996 | £59,305,621.00 |
| 1997 | £60,969,640.00 |
| 1998 | £64,181,978.00 |
| 1999 | £64,122,642.00 |
| 2000 | £65,366,952.00 |

Promotional material is enclosed, which I examine below; Mr. Knight also provides data giving his company's 'spend' on such activity:

| Year | Value of Sales |
|------|----------------|
| 1995 | £250,000 |
| 1996 | £500,000 |
| 1997 | £600,000 |
| 1998 | £1,000,000 |
| 1999 | £750,000 |
| 2000 | £750,000 |

7. Mr. Knight emphasises the wide range of activities conducted by these establishments, which he calls 'a leisure time and entertainment concept' appealing 'to a very wide range of age and social groupings'. I will take a short time to examine the promotional material, because it is informative, not only in respect of the extent of the opponents' reputation, but also as to its nature. I have abstracted the following from the Exhibits cited:

Exhibit AK 2: A promotional document dated 1999, entitled 'Mr. Q's, an unparalleled success story'. This states:

‘Since the first outlet opened in 1987, Mr Q’s has grown rapidly to become the fourth biggest pub brand in the country, with 249 pubs in local communities and towns, and an extensive expansion programme planned over the next five years.

Every week, Mr Q’s has a quarter of a million visits, with over two thirds of the clientele visiting more than once a week. This culminates in annual sales above those of Newcastle United, Kenco, Tango and Cadburys Dairy Milk’.

‘Under one roof, each outlet creates two social atmospheres at any one time. ...The customer profile by day is typically a mix of age groups and social groups - shoppers, office workers and local customers would all figure predominantly....In the evening, the atmosphere changes dramatically. Whilst the relaxed area remains largely unchanged, the lively area attracts a younger customer as we offer the latest music, outstanding pool facilities, video games, big screen and multi-screen television featuring live sport and other events’.

8. There is clear evidence of a wide range of visitors from a range of social groups (see, in particular, Exhibit AK 2). This document sets the scene for the types of activity associated with the Mr. Q’s brand – that is, the range of services I would regard as commonly associated with public houses today: provision of drink, obviously, but also food, music, ‘bar-games’ (such as pool and video games etc), broadcast of sporting events. As is in keeping with many public houses these days, the provision of food is quite extensive (see the assorted menus in Exhibit AK 6) – but I would not say it is exceptional or out of the ordinary.
9. Other exhibits reinforce this theme, consisting of promotional material relating to food, marketing packages for pub games, and promotional clothing such as T-shirts and base-ball caps, endorsing the Mr. Q’s name.
10. The applicants’ enclose a Witness Statement, from Mr. Norman Pattullo, a trade mark attorney representing them in this matter. He provides evidence of co-existence on the Register of a number of marks, specified for similar services, that contain the letter Q.

Decision

11. The s. 5(3) ground was dropped by the opponents in their skeleton argument. Following from this, at the hearing, Mr. Hickey added that the opponents’ objections applied only to the goods and services listed in paragraph 2 of the Statement of Case, that is:

‘...beer, ale, lager and porter, restaurant, hotel, motel, snack bar and public house services; catering services, room hire services, appearing within the specification of the Opponents’ registration are identical or similar to the “catering for the provision of food and drink; cafe, restaurant and catering services; snack bar services; bar and pub services; sandwich bars and take-away restaurant services; cocktail lounge services; provision of accommodation; provision of facilities for exhibitions, functions and conferences,” within the specification of the application in suit’.

To this extent the application will proceed in so far as it specifies the services in Class 41, and ‘bodyguard and doorman services’ in Class 42.

The Objection under s. 3.1(b)

12. This paragraph states:

‘3.-(1) The following shall not be registered -

- (a) ... ,
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.’

13. Referring to his clients’ Mr. Q’s mark, Mr. Hickey contended that it qualified for registration under the proviso to s. 3(1), that is, via distinctive character acquired through use. As for the applicants’ mark, he asked:

‘Is it distinctive in the context of the services in Class 42 for which it has been applied? We of course submit that absent significant user a mark such as Q-BAR in the context of bar services and the like can never be deemed to be of having a sufficient inherent distinctiveness for registration’.

14. He then cited from a Registry Amendment Circular (PAC 5/00), paragraph 13:

‘The Registrar will continue to regard a single letter of the alphabet as devoid of any distinctive character unless it is presented with distinctive stylisation’.

And added:

‘We submit that here we have no more than a single letter of the alphabet conjoined with a word which is the services. We argue that “Q” is reasonably apt to allude to snooker, pool and the like as being phonetically the equivalent of the word “cue”. Perhaps a relatively minor point but the authorities tell us that where letters are apt in any way to describe a particular aspect of the goods or services in question, then the threshold for proving acquired distinctiveness increases further’.

I was referred to Opposition number 51687 (BL 0/558/01), which states:

‘22. .. it has been the practice both in this country and before OHIM to regard single letters as being either devoid of distinctive character or certainly of weakly distinctive character as unused marks...’

15. There are two points here. First, as was indicated in BL 0/558/01 ‘..in the context particularly of clothing .. certain letters are commonly used as indicators of size (including M for medium).’ In fact, the practice cited reflects the observation that single letters are widely used as product codes for goods, ‘M’ being a typical example. I do not accept that similar significance can be discovered in the use of the letter Q, in relation to pub services and the like. Though ‘pool’ tables are often found in bars and pubs, without further evidence I am unable to conclude that Q is apt to describe pub services. The link made by Mr. Hickey is rather tenuous. Further, as Mr. Brandreth pointed out, there are other of the services at issue here for which Q has little or no significance (e.g. ‘provision of accommodation; provision of facilities for exhibitions, functions and conferences’).

16. Second – and more critically - the mark at issue is not a single letter mark. Mr. Hickey asks ‘What is it about this mark that brings it away from that established practice? What additional reasons does the Registrar have for deviating from recognising that single letters in fact do not readily indicate origin without extensive user?’. He added:

‘I would submit the Registrar would not be accepting the letter Q on its own as an unused trade mark in the context of these services because practice tells us that letters have not been elevated to that status as yet, whether they are considered *prima facie* distinctive. Therefore, why does the addition of the word “bar”, being the services in question, elevate this mark to a registrable status? I would submit that registration lays down a very dangerous precedent. Hereon in are we to send out the message that applicants who make applications for marks consisting of a single letter with a word which is the goods or services can expect registration?’

17. The answer to this question is, of course, no. Mr. Hickey is in danger, here, of raising a rule of thumb to the status of a legal doctrine. My decision in this case relates to the mark in question, and establishes no precedent other than those laid down by application of this section of the Act to this mark, together with the relevant case law and ‘rules of thumb’ such as that in the PAC quoted. It is all rather unspectacular, and Mr. Hickey need not be concerned.

18. In following this course, again, the first, though minor point, that needs to be stated, is that not all the goods at issue here are properly described by the word ‘bar’. For those that might be, as I pointed out at the hearing, the mark is not a single letter mark: it is Q-BAR, and should be viewed as a whole. Mr. Hickey stated that we should not do this ‘blindly’ and I agree. But equally, we should not focus on parts of the mark in condemning it as non-distinctive, unless they overwhelm the rest of it, and it’s effect as a whole. Even in the case of the ‘M’ mark discussed above, though that letter was considered to have ‘a low capacity to serve as a designation of origin in its own right’, it was possible that ‘..the manner of presentation of the letter and/or any additional matter that is present can have a material effect on the impact it makes’. Additional words can have the same outcome – further aided, I believe, by their ability to present ambiguous meanings to the viewer.

19. Of course, the goods at issue include ‘bars’, as in drinking establishments, but the essential point here, is that Q-Bar is not a normal means of referring to such venues. It could not be

freely interchanged between various pub owners as a means of depicting their establishments. In other words, it appears to have the ability to act as an indicator of origin. Mr. Brandreth referred me to the Baby-Dry case (*Procter & Gamble Company v. Office for Harmonisation in the Internal Market* [2002] E.T.M.R. 3), and in particular to paragraphs 40, 43 and 44:

‘40. As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

43. Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies’ nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies’ nappies or for describing their essential characteristics.

44 Word combinations like BABY-DRY cannot therefore be regarded as exhibiting, as a whole, descriptive character; they are lexical inventions bestowing distinctive power on the mark so formed and may not be refused registration under Article 7(1)(c) of Regulation No. 40/94’.

20. In Mr. Brandreth’s view the mark was not ‘devoid of *any* distinctive character’ and was thus not excluded by s. 3(1)(b). In a recent decision of the Court of First Instance (*Mag Instrument Inc. v OHIM* 7th February 2002) the test is whether a mark (a ‘shape’ mark in this case but the same principles apply) is ‘..capable of acting on the memory of the average consumer as [an] indication of origin, that is to say, in such a way as to differentiate the goods and link them to a particular commercial source..’. I think to this extent Q-BAR ‘works’ and thus is not excluded as having no distinctive character, and it does so without the need for use of the mark.
21. The following is an extract from paragraphs 67 to 71 of a decision of the Appointed Person (Opposition No. 47027; the ‘Cycling is...’ Trade Mark, BL 0-561-01):

‘67. The case for allowing registration rests upon the proposition that the signs are cryptic to a degree which makes it more likely than not that they would carry connotations of trade origin (whatever other connotations they might also carry) in the minds of the relevant class of persons or at least a significant proportion thereof.

68. The case for refusing registration rests upon the proposition that the signs are visually and linguistically meaningful in a way which is more likely than not to relate the goods and services ... without also serving to identify trade origin in the minds of the relevant class of persons.

69. The difference between these two positions resides in the question whether the perceptions and recollections the signs would trigger in the mind of the average consumer of the specified goods and services would be origin specific or origin neutral.

70. The relevant perspective is that of the average consumer who does not know there is a question, but who is otherwise reasonably well-informed and reasonably observant and circumspect.’

22. In my view, average ‘pub-goers’ would see this mark as unusual and cryptic enough to act as a mark of trade. No one would seek to argue it is the most distinctive mark ever applied to the services at issue, but it is strong enough to meet the requirements of s. 3(1)(b). This ground fails.

The Objections under s. 5(2)

23. S. 5(2)(b) states:

‘(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.’

The opponents’ Mr. Q’s is an earlier mark under s. 6(1) for the purposes of s. 5.

24. There is clear, and now well established, case law from the ECJ relating to s. 5(2)(b). In *Sabel BV v Puma AG* [1998] ETMR 1, at paragraph 22, the Court stated:

‘.. it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion “depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified”. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case’.

A number of factors are identified as part of the global appreciation. I will examine all of these, beginning in reverse order, by comparing the goods at issue first. For ease of reference, I have listed these as follows:

| Applicants' Services | Opponents' services |
|---|--|
| <ul style="list-style-type: none"> • Catering for the provision of food and drink; • café, restaurant and catering services; • snack bars; • bar and pub services; • sandwich bars and take-away restaurant services; • cocktail lounge services; • provision of accommodation; • provision of facilities for exhibitions, functions and conferences. | <ul style="list-style-type: none"> • Restaurant; • Hotel; • Motel; • snack bar and public house services; • catering services; • room hire services. |

25. I am going to leave aside, for the moment, discussion of the similarity of certain of these services until later.

26. The case law states (*Sabel*, paragraph 24) that:

‘.. the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public’.

27. This was confirmed in paragraph 18 of *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* (Case C-39/97) [1999] E.T.M.R. 1. Thus, though I will address the issue of conceptual similarity below, I think it necessary to consider, before proceeding, the nature and extent of the opponents’ reputation in their mark. On this, Mr. Brandreth made the following comment:

‘We have evidence that the mark has been used. What we do not have is evidence that the mark has a reputation. This may appear to be a fine distinction and it is easy to be tempted into inferring from the evidence of use that we have that the earlier mark is well-known. In the context of considering whether a mark is distinctive, Jacob J warned us against doing that sort of thing in the *TREAT* case. There is a reason why caution should be used because we know nothing of the nature of the reputation. We have no evidence of that. We have no evidence of the geographical extent of the reputation as opposed to the geographical extent of the use. Pubs, for example, have notoriously small catchment areas’.

He added that it was particularly important to be careful where, as here, the reputation is said to reside in a sole particular element of the earlier mark, the letter Q, because the evidence shows that the opponents have consistently promoted the whole of their mark, not a part of it. He said ‘..the letter Q is never singled out but rather the concept of “Mr. Q” as proprietor of this no doubt fine establishment is rammed home’.

28. I asked Mr. Brandreth what he would consider to be sufficient as evidence of reputation, and he suggested survey evidence, evidence from consumers and evidence ‘..from advertising awards or good food guide awards and so on and so forth, but not merely size or turnover’.
29. In my view, Mr. Brandeth has undervalued the opponents’ evidence. I carefully reviewed this material at paragraphs 5 to 8 *supra*, and it consists of much more than ‘turnover’ evidence amounting to use *sans* proof of reputation. First, one should not dismiss turnover evidence *per se* out of hand, particularly in a service industry such as that at issue, where there is a great deal of interaction with customers, and it would seem a tolerable deduction that reputation – (i.e. a measure of extent of the knowledge of this brand residing in the minds of the average consumers in question - pub-goers) – would be high where turnover is high. I do not believe I am falling into the trap of conjecture when I say this (see Lord MacMillan in *Jones v. Great Western Railway Company* (1930) 144 L.T. 194 at 202): it is a reasonable inference from the stated trade under the name Mr. Q’s, which is considerable.
30. Next, as Mr. Hickey pointed out, the evidence is more than just this. The first document in Exhibit AK 2 (entitled ‘Mr. Q’s, an unparalleled success story’) provides ‘social demographic’ evidence, and ‘visit frequency’ data. There are ‘a quarter of a million visits’ each week to the 249 Mr. Q’s establishments. Mr. Brandreth stated (without proof) that the reputation associated with public houses was localised. I am not sure what this means: perhaps it is intended to suggest ‘limited’ and of course such establishments are, no doubt, frequented by ‘regulars’, suggesting some constraint on the wider development of reputation. The opponents’ evidence lends some support to this view, as 62% of Mr. Q’s customers visit more than once a week. However, 5000 people visit each week for the first time. All this tends to confirm my belief that the opponents possess a very significant reputation in their name for, public house services, that is, the range of services I would regard as commonly associated with public houses today: provision of drink, obviously, but also food, music, ‘bar-games’ (such as pool and video games etc) and broadcast of sporting events.
31. I note the following comments from the ECJ in *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* (Case C-342/97) [1999] E.T.M.R. 690:

‘22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of May 4, 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v. Huber and Attenberger* [1999] E.C.R. I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)’.

Despite Mr. Hickey’s best attempts to find little inherent qualities in his clients’ mark I do not see it, as stated above, as descriptive of the goods at issue. The market share is (effectively) given (‘fourth biggest pub brand in the country) and the geographical spread is wide (‘249 pubs in local communities and towns’). There is significant investment in promotion of the mark. Though the full panoply of evidential options is not on display here, I think there is enough material for me to conclude that the opponents’ mark has a significant reputation amongst the pub-going (i.e., the relevant) public.

32. Having determined thus, I have gathered together in the following table those services in which the opponents claim a reputation and, I consider, are plainly identical (or very similar) with the applicants’ services:

| Applicants’ Services | Opponents’ services |
|---|---|
| <ul style="list-style-type: none"> ● Catering for the provision of food and drink; ● cocktail lounge services; ● café, restaurant and catering services; ● snack bars; ● bar and pub services. | <ul style="list-style-type: none"> ● Restaurant; ● snack bar and public house services; ● catering services. |

33. It is clear that if the opponents are unable to establish a likelihood of confusion for these services they will not be able to for the others at issue, as a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa* (*Canon* page 7, paragraph 17); it follows that, if the opponents do not succeed where the goods are identical (or very similar), they cannot for the other items specified.

34. I now need to turn to a comparison of the marks at issue, keeping in mind the case law, in particular, *Sabel*, paragraph 23, that the ‘...global appreciation of 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’, and that ‘.. the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion’. The characteristics of the ‘average consumer’ are listed in the case law:

- they perceive a mark as a whole and do not proceed to analyse its various details (*Sabel*, paragraph 23);
- are deemed to be reasonably well-informed and reasonably observant and circumspect (*Lloyd*, paragraph 26);
- only rarely have the chance to make a direct comparison between the different marks but must place .. trust in the imperfect picture of them that he has kept in their mind (*Lloyd*, paragraph 26);
- their level of attention is likely to vary according to the category of goods or services in question.

35. Turning to the visual, oral and verbal comparison, Mr. Brandreth cited what he viewed as very significant differences between the mark in suit and that of the opponents’:

‘They are aurally different. The only potential similarity comes from the “Q” sound. However, in the mark this sound is at the beginning and in the earlier mark it comes at the end. The earlier mark ends in a distinctive diphthong whereas the mark applied for ends in a rolling “r”. The pronunciation of the mark, influenced by the presence of the hyphen, elides the element with the “BAR” element. By contrast, in the earlier mark there is a separation of the two parts, Mr. and Q, and the presence of plosives and a rolling “r” add to that separation.

... You only need to say the two of them to realise that there are differences. There are some similarities to this Q element, but there are differences and there is not a great deal of similarity aurally between the two. The same is true when you consider them visually. There is this common element, the Q letter, but its position in the mark applied for is different. Its visual role is therefore different and in particular in the earlier mark the Q is visually more isolated, whereas in the mark applied for it is part of the whole’.

36. In relation to the conceptual differences between the marks Mr. Brandreth stated:

‘Putting aside those two elements, the most significant difference is a conceptual difference and here the difference is absolute. The earlier mark, “Mr. Q’s”, treats the Q element as a name. It indicates possession on the part of a (presumably) fictional figure. The concept of a person, “ Mr. Q”, is the dominant element of the earlier mark. We even know the gender of this individual - and we know that he likes to be referred to with some degree of formality – “Mr. Q”, not just “Q’s Bar”. This concept is totally absent from the mark applied for. The mark applied for treats the Q as an intrinsic part of the whole of the sign. It ascribes no special significance to it as does the earlier mark and it gives it no particular role.

That conceptual difference explains why even where the uses of Mr. Q’s is made in conjunction with the word “bar”, “Mr. Q’s Bar”, there is no likelihood of confusion because there is still that strong conceptual element, that strong impression of ownership - of the existence of a fictional figure - coupled again with the previous aural and visual element differences, albeit in a more limited form.’

37. The marks are visually different and they are phonetically different and a strict analysis of these differences - as adopted by Mr. Brandreth - might lead one away, on the basis of an excessively analytical approach, from finding a likelihood of confusion. However, I consider the following, from the *Torremar Trade Mark Opposition* (BL 0-207-02), particularly relevant to this decision. The Appointed Person stated:

‘21. When (as contemplated by Section 5(2)(b) of the Act) the marks in issue are not identical, they need to be *distinctively similar* in order to be capable of inducing such a belief in the mind of the average consumer of the goods concerned.

22. At this point it is necessary to observe that marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode

or element of expression to be perceived, in the context of the marks as a whole, as origin specific (see, for example, *Wagamama Ltd. v City Centre Restaurants Plc* [1995] FSR 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd.* [1998] FSR 283).

23. The relevant propensity may, on established principles, be inherent or acquired through use.'

38. Further, in another recent Decision (BL 0-208-02; Opposition No. 70282), the Person Appointed stated '...that it is insufficient in deciding a conflict under art. 4(1)(b) of the Directive (section 5(2)(a) and (b) of the TMA) merely to focus on dissimilar elements in the respective marks in question. Instead, the global assessment of likelihood of confusion must take into account all the relevant circumstances of the case including any association that can be made between the earlier and the later trade marks.'
39. The case law counsels 'due consideration of the dominant and distinctive features'. Confusion is likely to be found where these features are shared and form the distinctive elements within the marks at issue. In my view, the common use of the letter Q within both marks falls into this description. Mr. Brandreth is correct to state that the opponents have no evidence of the use of 'Q' beyond use of Mr. Q's as a whole. But I think this overlooks the role of this letter within two marks which also contain other material that is relatively unremarkable ('Mr.' and '-BAR').
40. In particular, I disagree with Mr. Brandreth about the conceptual similarity between the marks. He implies that his clients' mark has little conceptual significance, while that of the opponents' is very strong: 'The earlier mark, "Mr. Q's", treats the Q element as a name. It indicates possession on the part of a (presumably) fictional figure. The concept of a person, "Mr. Q", is the dominant element of the earlier mark. We even know the gender of this individual - and we know that he likes to be referred to with some degree of formality - "Mr. Q", not just "Q's Bar".' I agree with this. But to state that the conceptual differences are 'absolute' because the applicants' sign is (I think I am being fair to Mr. Brandreth when I summarise his submission in this way) neutral, neglects the very human tendency to find meanings in words. Where the services at issue are 'pub' services and 'bar' is a synonym for 'pub', Q-BAR suggests a drinking establishment that is associated with the letter Q. This might, of itself, not mean much. However, marks must always be placed in the context of the goods or services they specify. And, against the background of the opponents' registration for what I have called pub services, and particularly in view of their reputation - the opponents' name is famous for bars/pubs - there will be a natural tendency for a significant proportion of the pub-going public to read the applicants' mark as a possessive form, i.e. Q's bar; this concept is very close to that Mr. Brandreth identified as suggested by the opponents' mark.
41. I think this will be particularly so in light of the very common practice of shortening pub names, where Mr. Q's may well be reduced to 'Q's'. Even if I am wrong in assuming the latter, it is not unlikely that consumers may well refer to the opponents in the following manner: 'Are you going to Mr. Q's bar, tonight?'. Again, this analysis results in a much closer semantic similarity than that indicated by Mr. Brandreth. In effect, Q-BAR, despite (what I will call) its superficial differences from the opponents' mark, reflects an appropriate means of referring to the latter's establishments.

42. This is an example of direct confusion (*Sabel*, paragraph 16). There is also the matter of indirect confusion, or association, that is, as to economic undertaking. *Canon* and *Sabel* rejected so called ‘Benelux association’ as a species of confusion under s. 5(2)(b). However, *Canon* states, at paragraph 29:
- ‘...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 4(1)(b) of the Directive (see *Sabel* paragraphs 16 to 18)’.
43. If someone is familiar with Mr. Q’s, and know of its reputation as a drinking establishment, then it is not an enormous jump to arrive at the conclusion that a Q-Bar would be in some way linked to Mr. Q’s branded bars. This is the sort of association that is a species of the genus of confusion under s. 5(2). In fact, the opponents have started to call some of their establishments simply ‘Q’s’ (paragraph 2 of Mr. Knight’s Declaration and Exhibit AK 1). This was after the relevant date, and demonstrates little in the context of this decision but that the opponents have demonstrated by their action what I consider consumers might easily have believed at the relevant date: existence of an economic link between Mr. Q’s and Q’s *solus* used in connection with these services.
44. Finally, I think it is worth me finishing with the following comment. In *Torreomar* the Appointed Person also went on to say that finding that an average consumer deems a mark to be origin specific cannot ‘...be substantiated simply by evidence of entries in the register of trade marks: entries in the register do not in themselves affect the way in which marks are perceived and remembered’. Which rather devalues the ‘state of the register’ evidence in Mr. Pattullo’s Witness Statement, at paragraphs 2 and 3; Exhibit NP1). Mr. Hickey made much the same point, and I don’t believe anyone at the hearing was at all surprised by it: the surprise is why agents continue to submit this sort of evidence at all. Mr. Pattullo states (paragraph 3): ‘..The exhibit [i.e. NP1] shows that the letter Q is an element of many trade marks on the Register and the Opponent does not enjoy any exclusive rights in the use of this letter.’ I suppose he is correct in terms of ‘use’ on the Register, but not – where it actually matters – on the market. Evidence on the latter might tend away from finding a likelihood of confusion where it shows that consumers are aware of a number of businesses employing the letter Q, and would not be confused by entry of another into this marketplace. There is no such evidence before me.
45. The opponents have established a likelihood of confusion under s. 5(2)(b), and the application thus fails, in so far as it applies to ‘Catering for the provision of food and drink; café, restaurant and catering services; cocktail lounge services; snack bars and bar and pub services’. However, there are other goods at issue here, for which I have not found the opponents to be in possession of a reputation and might be considered dissimilar. I wish to consider these now.
46. I think it is worth saying, first, at the risk of stating the obvious, that ‘similarity’ of goods is a matter of degree: goods are similar on a sliding scale bounded on one hand by those fairly described as ‘identical’, to those at the other end of the scale, which are clearly ‘different’. Similarity of goods cannot be compared to the process of passing an examination for example, where a result below a certain mark is a fail and anything above it is a pass; similar goods are all similar, but some are more similar than others. And it seems clear to me that one might find a greater degree of similarity – and consequent increased risk of confusion - in one set of circumstances, that is, in one case, where one would not do so in another. An example of this is

where a mark enjoys greater protection because of its distinctiveness and a likelihood of confusion is found between that mark and another when both are used on certain goods, where it would not arise in the case of a less distinctive mark. In effect, the former mark is ‘capable’ of making the goods at issue ‘more similar’ (see *Canon* paragraph 17). Of course, there may be other situations where one would find similarity that might not arise elsewhere. It is conceivable that goods placed within a certain context with other goods might be considered similar, where they would not be outside it.

47. That said, it has been recognised by the ECJ that section 5(2), (Article 4(1)(b) of the Directive) requires that similarity between goods must be established. In particular in *Canon* at paragraph 22 the Court stated:

‘It is however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a), which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.’

And there must be, in a particular case, a ‘threshold’ level of ‘similarity’ below which confusion will not occur. Mr. Hobbs Q.C., sitting as the Appointed Person in *Raleigh International* (SRIS 0-253-00) stated:

‘Similarities between marks cannot eliminate differences between goods or services; and similarities between goods or services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be to determine the net effect of the given similarities and differences.’

48. The remaining services in the applicants’ specification are take-away restaurant services; provision of accommodation and provision of facilities for exhibitions, functions and conferences. There is no evidence that the opponents have been involved in the purveyance of any of these types of service, but their own specification: ‘restaurant, hotel, motel and room hire services’, captures them all.
49. Though I stated above that the opponents’ reputation is specific to pub services, I do not believe that it is so exclusive to leave me with a *prima facie* comparison between the marks: there is, in my view, no real commercial distinction in the context of this case between, for example, ‘pub services’ and room hire. Pubs by and large hire out function rooms. I feel the opponents reputation would ‘map’ over onto these other activities.
50. Even if I am wrong about this, I feel a *prima facie* comparison – *sans* consideration of the opponents’ reputation - between the marks would still result in the species of confusion I have identified above, keeping in mind the identity of the goods at issue.
51. The opponents have been successful, and the application fails. I judge that I need not consider the s. 5(4)(a) grounds as a result. However, I believe the opponents would also be successful under this ground also.

52. As to costs, Mr. Brandreth pointed out that the s. 5(3) ground was 'dropped' by the opponents very late in the day, after time had been spent preparing to deal with it. Mr. Hickey responded by stating that negotiations on this case had proceeded up to the week of the hearing and 'it was felt inappropriate to amend the pleadings whilst discussions were taking place.' Further, though the ground was deleted late, at least it was deleted rather than continued with though 'not sustainable'. Mr. Brandreth responded that the opponents were now admitting that they knew 'long in advance' that the s. 5(3) ground would not be proceeded with, yet sustained it only as a negotiation weapon.
53. It is, of course, not unusual for grounds to be dropped close to a hearing date, as parties revisit and marshal their best case, typically (though not always) under the eye of counsel who usually come to proceedings 'late in the day'. Further, where this is obvious to experienced legal professionals on one side, it must be also to those on the other, consequently reducing the effort expended in dealing with the ground at issue. However, with the Registrar's recent emphasis on the proper nature of pleadings, it seems to me that there should be some consequence in costs where grounds are abandoned late, which are known to be unsustainable. I have kept this in mind in the cost award.
54. The applicants must amend their specification removing those services in Class 42, but for 'bodyguard and doorman services'. If they do not file a TM21 within one month of the end of the appeal period for this decision restricting the specification as set out above the application will be refused in its entirety.
55. The application having failed in part, the opponents are entitled to a contribution towards costs. I order the applicants to pay the sum of £700. This sum to be paid within seven days of the expiry of the appeal or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 20 Day of June 2002.

**Dr W J Trott
Principal Hearing Officer
For the Registrar,
the Comptroller General**