

O-115-08

TRADE MARKS ACT 1994

**APPLICATION NO. 2351079B BY ADVISORY, CONCILIATION AND
ARBITRATION SERVICE**

TO REGISTER THE TRADE MARK 'ACAS' IN CLASSES 35, 41 & 42

**AND OPPOSITION No. 92831 BY THE ASSOCIATION OF CHARTERED
CERTIFIED ACCOUNTANTS**

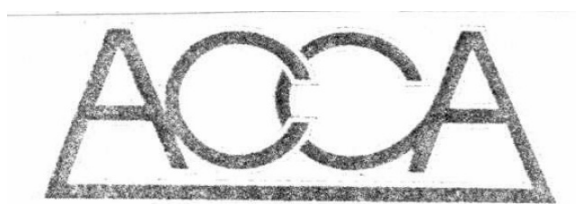
Background

1. On the 10 December 2003 the Advisory, Conciliation and Arbitration Service applied to register the trade mark ACAS in Classes 35, 41 and 42.
2. The trade mark application was published on 25 June 2004 and subsequently opposed by the Association of Chartered Certified Accountants to the extent that the application for registration covers:

“Business and management consultancy services; provision of information on business; business appraisals; consultancy, advisory and information services relating to the aforesaid services” falling in Class 35, and

“Education, training and instruction services; consultancy, advisory and information services relating to the aforesaid services” falling in Class 41.

3. The grounds of opposition are twofold. Firstly, that the opponent is the proprietor of the earlier Community trade mark shown below, which is registered for identical or similar goods and services, including identical or similar services in Classes 35 and 41, and there exists a likelihood of confusion such that the application ought to be refused for the above named services under section 5(2)(b) of the Act. Secondly, that the opponent is the proprietor of an earlier right in the mark shown below, and in the letters ACCA *per se*, and the application ought to be refused registration under section 5(4)(a) of the Act.



4. The applicant filed a counterstatement admitting that the opponent is the proprietor of the Community trade mark, but otherwise denying or putting the opponent to proof of its claims.

The Hearing

5. The matter came to be heard on 12 March 2008, when the opponent was represented by Mr Peter Houlihan of fj Cleveland, trade mark attorneys, and the applicant was represented by Mr Allan Poulter of Field Fisher Waterhouse LLP.
6. By the time of the hearing there was no dispute that the opponent had established through evidence that, by the relevant date, it was the second largest accountancy body in the UK with a well established reputation in the field of accountancy and related financial services. Similarly, there was no dispute that the applicant had a well established reputation in the field of employer/employee relations. I have taken this into account in deciding how much needs to be covered by the following summary of the evidence.

The Evidence

7. The opponent's evidence consists of a witness statement by Neil Stevenson and 13 exhibits. Mr Stevenson is the opponent's Marketing Director. The opponent has been known as the Association of Chartered Certified Accountants (ACCA for short) since 1996. As the name suggests, the opponent is an accountancy body which grants membership and qualifications in accountancy. Students who attain the opponent's primary qualification become entitled to use the designation 'Chartered Certified Accountant'. The opponent's core activities in the UK relate to education, regulation and continuing professional development of accountants. Since 2002 it has also registered approved tuition providers who provide educational services to students aiming to acquire the opponent's qualifications.

8. There is some evidence that in association with other educational organisations the opponent also offers its members the opportunity to acquire other business related qualifications, but it is not clear whether this was the position at the relevant date of 10 December 2003.

9. Exhibit NS3 to Mr Stevenson's statement consists of a copy of a report drawn up in November 2003 by The Financial Reporting Council Limited, which appears to be a regulatory body for the accountancy profession. The report records that in 2002, 52k of the 245k members of accountancy bodies in the UK belonged to the ACCA. That made the opponent the second largest accountancy body in the UK. Only the Institute of Chartered Accountants in England and Wales was larger (with 108k members). Further, the opponent's organisation was at that time the fastest growing accountancy body in the UK.

10. Exhibit NS12 consists of media coverage for the opponent's activities for a 4 week period early in 2001. There are 140 pages in this exhibit containing news reports from a wide range of publications. The opponent is referred to by its full name, but frequently also by the letters ACCA. In some cases the opponent is only identified by the letters. For example, a story in Accountancy Age on 18 January 2001 was entitled "ACCA hits out at 'two-tier' audit rules".

11. The applicant's evidence is contained in three witness statements. The first is from John Taylor, Chief Executive of ACAS (with 21 exhibits). The second is from John Cridland, Deputy Director of the CBI (with 1 exhibit), and the third is from Sarah Veale, Head of Equality and Employment Rights at the TUC.

12. Mr Taylor explains that ACAS stands for 'Advisory, Conciliation and Arbitration Service', but that it is more commonly known just as ACAS. The term has been in use since at least 1975 when the applicant was given statutory status by the Employment Protection Act 1975. It receives government funding but acts independently. Its main functions are specified by law and these are:

- to assist parties to trade disputes with a view to bringing about a settlement;
- assisting parties to reach a settlement on matters which are or could be the subject of proceedings before an employment tribunal;

- giving employers, employer’s associations, workers and trade unions such advice as it thinks appropriate on matters concerned with or likely to affect industrial relations;
- publishing general advice on matters concerned with or affecting or likely to affect industrial relations.

13. ACAS carries out advisory projects with employers and employees and provides training for businesses offering practical help on developing employment policies and procedures and interpreting changes in relevant legislation. On at least one occasion in 2005 ACAS provided a training presentation to ACCA members on the topic of ‘Managing the HR function in an SME’.

14. By 2002 ACAS was deemed to be sufficiently well known to justify inclusion in the Collins English Dictionary.

15. Mr Taylor concludes:

“Acas is a long established organisation and could justifiably be considered a household name. It is well known for a range of services which include those such as workplace training, and advisory projects which could be described as business training and consultancy. There is no evidence to suggest that Acas services have ever been confused with those of ACCA. Nor, given the nature of the work and services referred to in this my witness statement is there any reason to believe that confusion is likely to ever arise.”

16. Mr Cridland explains that he first came into regular contact with ACAS during his 5 years as Director of Human Resources Policy for the CBI. He says that the CBI (like the TUC) is a “stakeholder” in ACAS representing business as users of the services if ACAS, which he notes are all intended to further the improvement of organisations and working life through better employment relations. He concludes:

“It would be no exaggeration to say that everyone in the business communitywill be aware of ACAS, such is its pervasive reputation, not merely for its traditional functions but also for the educational, advisory and information services.”

17. Ms Veale gives evidence to similar effect.

The Objection under Section 5(2)(b)

18. The relevant part of Section 5(2) of the Act is as follows:

“(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.”

19. On 27 April 2006, the European Court of Justice (ECJ) handed down a reasoned Order disposing of the appeal in Case C-235/05P *L’Oreal SA v. OHIM*. The relevant legal principles, drawn from the court’s earlier judgments in *Sabel* [1998] RPC 199, *Lloyd Schuhfabrik Meyer* [2000] FSR 77 and *Canon* [1999] RPC 117 are set out in the summary in that Order, the relevant part of which is re-produced below (references omitted):

“34 It is settled case-law that likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case.

35 That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. Accordingly, it is necessary to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services covered.

36 In that regard, as the more distinctive the earlier mark, the greater the risk of confusion, marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.

37 -

38 -

39 -

40 .. it is settled case-law that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.

41. In addition, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of

confusion.”

The Identity/Similarity of the respective Services

20. It is common ground that the applicant’s “education, training and instruction services” cover some of the services for which the opponent’s earlier trade mark is protected. In particular, these services are unquestionably identical to “training and teaching”, “vocational educational services”, school services”, “higher educational services”, all being related to “accountancy, financial matters and business studies” for which the earlier mark is registered in Class 41.

21. I will return to the position of the other services after setting out my conclusion on the conflict of the marks in relation to these services.

The Distinctive Character of the Earlier Mark

22. As I noted earlier, there is no dispute that by the relevant date the opponent had a substantial reputation as an accountancy body providing accountancy qualifications in the UK. I do not think that there can be any doubt on the evidence that the opponent was well known in its field as the ACCA at the relevant date.

23. The letters ACCA are not descriptive of the services at issue and *prima facie* have an average level of distinctiveness for educational services. The letters ACCA are the dominant and distinctive feature of the earlier mark. I am therefore prepared to accept that in relation to educational services in the field of accountancy, the earlier mark had acquired an enhanced level of distinctiveness by the relevant date and was, at that date, highly distinctive for the services in question.

The Degree of Similarity between the Marks

24. On behalf of the opponent, Mr Houlihan submitted that there were substantial similarities between the marks. Both marks consist of 4 letters, 3 of which are common to both. The one letter present in the applicant’s mark which is not present in the opponent’s mark – the letter “S”- is frequently used to indicate the plural or possessive form of that which precedes it and therefore has little capacity to distinguish. In Mr Houlihan’s view, ACAS could be seen as the plural of ACA, which is manifestly similar to the opponent’s mark. Further, normal and fair use of the applicant’s mark would include use in which ACAS was underlined. This would increase the visual similarity between it and the opponent’s earlier trade mark.

25. As regards aural similarity, Mr Houlihan submitted that the opponent’s mark would be pronounced as four letters A-C-C-A. Used in a field of education unrelated to employment matters, such as accountancy training, the applicant’s mark could similarly be pronounced as four letters A-C-A-S, which introduces a degree of phonetic similarity.

26. According to Mr Houlihan, the marks also shared a low level of conceptual similarity because they are both acronyms.

27. I agree that the opponent's mark will be recognised as a stylised 4 letter mark consisting of the letters ACCA. The fact that the applicant's mark shares 3 of the letters in the opponent's mark introduces a degree of visual similarity. However, I think that Mr Houlihan goes too far in downplaying the impact of the letter "S" at the end of the applicant's mark. As his submission on aural similarity acknowledges, if the applicant's mark is not seen as an acronym for ACAS it will be seen just as 4 letters. In either case it is far fetched to suggest that the applicant's mark will be regarded as ACA'S. Further, I agree with Mr Poulter's submission that a change in one letter, and a change of position of a second letter, in the applicant's 4 letter mark makes a substantial difference to the visual impression that it conveys as compared to that conveyed by the opponent's mark. The difference is increased by the fact that there is a certain symmetry in the way the letters AC/CA are arranged in the opponent's mark, which is lacking in the applicant's mark.

28. I accept that normal and fair use of the applicant's mark would include use with underlining which might resemble a visual feature of the stylisation of the opponent's mark. However, the dominant and distinctive feature of the marks remains the letters. The public have no difficulty in distinguishing between different words simply because they are underlined. I do not therefore consider that any additional similarity caused by the underlining of the applicant's mark can be regarded as having more than a very marginal effect on the level of similarity between the marks. I conclude that there is a low degree of visual similarity between the marks.

29. There is no suggestion that the opponent's mark is pronounced as a word - ACK-AH. In fact Mr Houlihan told me that the opponent has made a point of discouraging such use. Therefore the opponent's best case is that both marks will be pronounced as 4 individual letters. Spoken as letters, I believe that there is very little similarity between the marks.

30. Mr Houlihan's submission on conceptual similarity depends on the marks being recognised as acronyms, but on the relevant consumer not recognising the names of the organisations they represent. That seems unlikely in the area of education in which the earlier mark can be regarded as highly distinctive. In any event, I am very doubtful that the mere fact that two marks can be recognised as acronyms or abbreviations for something else introduces any conceptual similarity between them. It might be different if the things that they represent have a similar meaning. In this case they do not. I conclude that even on the opponent's best case neither mark should be regarded as having a conceptual meaning, in which case they are conceptually neutral.

The Average Consumer

31. It is well established that the average consumer is deemed to be reasonably observant and circumspect. However, the level of attention paid by a consumer may vary from one product or service to another. The relevant consumer of the services that I am considering is a person seeking training or education. In the area in which the services of the parties completely overlap – education, training and instruction relating to accountancy and financial and business studies – the average consumer is likely to be someone intent on acquiring accountancy or financial or other business skills and/or qualifications.

32. Mr Houlihan was constrained to accept that the average consumer of such services should be taken to pay more attention to who was providing the services as compared to a typical purchaser of many consumer products. He accepted that if one imagines a spectrum of attentiveness, the consumer of these educational services would be in the top half of that spectrum. I find that the relevant average consumer should be taken to exercise a relatively high degree of care and attention when selecting the provider of the services under consideration.

Likelihood of Confusion

33. Mr Poulter made a great deal of the fact that the parties have co-existed for many years and both have provided training and education services without any evidence of confusion. On the other hand he accepted that although the applicant has provided training to accountants, it has not provided training relating to accountancy. This is plainly the area in which the opponent's mark is most distinctive. Consequently, the high point of the opponent's case has not been tested.

34. In the event, I do not need to take into account the evidence (such as it is) of the peaceful co-existence of the marks in their respective fields in order to find that use of the applicant's mark for all the opposed services will not result in a likelihood of confusion with the applicant's mark. In my view, the overall level of similarity between the marks is low and the differences between them such that the relevant average consumer could not fail to notice them when the marks are seen together. I must also allow for consumers' imperfect recollection of one or other of the marks. However, even where 1) the services are identical, 2) the opponent's mark is highly distinctive, 3) the marks are considered to be conceptually neutral, and 4) an appropriate allowance is made for the possibility of imperfect recollection, the level of similarity between the marks is insufficient for the relevant average consumer to be confused into believing that the applicant's mark is that of the opponent, or that the user of the applicant's mark must have some economic connection with the opponent. Consequently, I reject the objection under section 5(2)(b) to the registration of the applicant's mark for "education, training and instruction services".

35. As this is the high point of the opponent's case it follows that the objection to the registration of the mark for the other opposed services also fails.

The Objection under Section 5(4)(a)

36. Section 5(4)(a) of the Act states that a trade mark shall not be registered;

“.....if, or to the extent that, its use in the United Kingdom is liable to be prevented 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”

37. The requirements to succeed in a passing off action are well established and are summarised in *Halsbury's Laws of England* 4th Ed. as being:

i) that the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

ii) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to deceive the public; and

iii) that the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

38. There is no doubt that the letters ACCA were highly distinctive of the opponent's organisation at the date at which the matter must be judged - 10 December 2003. Further, I accept that the opponent's goodwill and reputation extended to the provision of training and education services relating to accountancy to its students and members in the UK. It may also have extended to the provision of some wider training to its own members. Nevertheless, this objection must also be rejected because use of the applicant's mark at the relevant date would not, in my judgement, have constituted a misrepresentation.

39. I accept that in one respect the opponent has a slightly stronger case under section 5(4)(a) compared to its case under section 5(2). Under this head it is entitled to rely upon its earlier right in the letters ACCA *per se* and not just in the stylised form in which the letters are registered in its earlier Community trade mark. However, I accepted the letters to be the dominant and distinctive feature of the earlier registered trade mark for the comparison under section 5(2)(b) and the difference between the earlier mark and the letters ACCA *per se* only slightly increases the similarity between the earlier right and the applicant's mark.

40. The evidence indicates that the opponent's earlier right is sometimes used in its possessive form, in which case it looks like this - ACCA's. In my view, that adaptation is not going to be confused with ACAS by a substantial number of persons in any of the relevant fields of activity. In my view, there is no likelihood of confusion or deception under this head either. The objection under section 5(4)(a) therefore also fails.

41. In reaching this conclusion I should make it clear that I have not fallen into the trap that Mr Houlihan warned me about - of accepting Mr Poulter's argument that primary evidence of deception or likely deception was required. There is plenty of authority to support the proposition that the likelihood of deception and confusion can in appropriate circumstances be inferred from the primary facts. I simply do not believe that the primary facts in this case justify such a conclusion.

Costs

42. The opposition having failed the applicant is entitled to a contribution towards its costs. Subject to any appeal, I order the opponent to pay the applicant the sum of £2000. This to be paid within 7 days of the end of the period allowed for appeal.

43. The £2000 is composed of:

- £500 – for considering the grounds of opposition and filing a counterstatement
- £700 – for filing evidence
- £300 – for considering the opponent's evidence

£500 – towards the cost of the oral hearing.

Dated this 21 Day of April 2008

**Allan James
For the Registrar**