

O-387-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2476513
BY WEBCANVAS DOT-COM LIMITED
TO REGISTER THE TRADE MARK
WEBCANVAS
IN CLASSES 9, 16, 25, 36, 41 AND 42**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 97312 BY G1 GROUP PLC**

BACKGROUND

1) On 9 January 2008, WebCanvas dot-com Ltd (hereinafter the applicant), applied to register the trade mark “WebCanvas” for the following amended goods and services:

“Class 9: Apparatus for computer aided design; apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer software downloadable from the Internet for use in a Web 2.0 application for creating and manipulating images on a web page; digital music (downloadable from the Internet); computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories; electronic publications (downloadable).

Class 16: Photographs; artists' materials; paint brushes; instructional and teaching material.

Class 25: Clothing, footwear, headgear.

Class 36: Stockbroking; financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.

Class 41: Education; providing of training; entertainment and cultural activities.

Class 42: Design and development of computer hardware and software; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others.”

2) On 9 June 2008, G1 Group Plc (hereinafter the opponent), filed a notice of opposition, subsequently amended. The grounds of opposition are in summary:

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

Trade Mark	Number	Application Date and Registration Date	Specification
CANVAS	2243706	26.08.00 / 16.03.01	Class 41: Casinos, entertainment, night-club and discotheque services; party, conference and function planning; live performances; television, radio and video production services; rental and production of sound recordings; entertainment club services. Class 42: Hotel services; catering for the provision of food and drink; cafe, 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.

b) The opponent states that this mark has been used on the services for which it is registered since October 2002. The opponent states that as a result of this use it has reputation and goodwill in the mark above. The opponent claims that some of the goods and services applied for by the

applicant are identical and/or similar to the services for which its mark is registered and that the marks of the two parties are very similar. The opponent states that the application offends against Section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994. Those goods and services opposed are:

In Class 9: Apparatus for recording, transmission or reproduction of sound or images; digital music (downloadable from the Internet); electronic publications (downloadable).

In Class 41: Education; providing of training; entertainment and cultural activities

In Class 42: Design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others.”

3) On 11 September 2008, the applicant filed a counterstatement which denied the opponent’s claims. The applicant does not seek proof of use.

4) Both sides filed evidence and both seek an award of costs in their favour. Neither side wished to be heard but both provided written submissions which I shall refer to as and when required.

OPPONENT’S EVIDENCE

5) This consists of a witness statement, dated 10 March 2009, by Martine Frances King the Group Commercial Director of the opponent company, a position she has held for four years, prior to which she was the opponent’s Operations Director. She states that her company owns approximately 124 licensed venues including restaurants, bars, nightclubs, hotels and cinemas throughout Scotland. She states that her company manages approximately 41 of these, with approximately 83 being operated as tenancies. She states that as such her company is the foremost independent leisure operator in Scotland and the second largest in terms of the number of units.

6) In respect of trade mark registration No. 2243706 CANVAS owned by her company, Ms King states:

“The mark is used for “nightclub and discotheque services, party, conference and function planning and live performance services including entertainment club services”. In particular, the services provided under the CANVAS Trade Mark are comedy club services, a live music venue, bar and restaurant services, a nightclub, a cocktail bar, and a salsa club amongst many other forms of club entertainment services. The Trade Mark CANVAS has been used in combination with the Trade Mark ARTA. Since CANVAS is part of ARTA, the advertising promotions and the services provided cannot readily be separated out because they relate to the same venues.”

7) Ms King states that the nightclub, discotheque and other entertainment services provided under the CANVAS mark have been promoted via the internet, posters, flyers, brochures, press advertising, radio, text messages and underground advertising. She singles out the text messaging service as being particularly important. She states that since 2000 the opponent has spent £250,000 promoting its CANVAS mark with advertisements in newspapers, guide books

and festival brochures. She states that the turnover for the years 2007 to 2008 under the CANVAS mark was £1,814,000. At exhibit MFK1 she provides various exhibits. These appear to have been copied from the internet and are all dated 12 March 2009. From the copies it would appear that the mark CANVAS is used to denote the basement of a venue called ARTA. There is a reference to the launching of the CANVAS comedy club. There are references to “tapas & comedy”. There are also references to cabaret & live music.

APPLICANT’S EVIDENCE

8) The applicant filed three witness statements, two dated 25 May 2009 and the third dated 28 May 2008, all by Antonio Roldao Lopes the founder and Chief Executive Officer of the applicant company. He states:

“2. WebCanvas dot-com Ltd was formed to exploit a novel Web 2.0 concept which I invented, implemented, promoted and distributed worldwide, under the mark of “WebCanvas” and at <http://webcanvas.com>. This concept is totally dependent on the Web as a platform and cannot take a non-Web-based form. Details of this invention and its technology have been submitted to the Intellectual Property Office as a patent application. This patent application was attributed the reference number GB0800531.6.

3. The WebCanvas concept allows Web-users to express themselves individually, collaboratively or simply to observe other Web-users expressing themselves, in live or replay mode, on a canvas that is theoretically boundless. This expression is directly, automatically, and instantaneously published on the Web, without requiring Web-users to generate image files and upload them using upload programs or Web-upload forms, although this is optional.”

9) Mr Lopes states that he won second prize at the London Start-Up Camp 2008, confirmed by exhibit ARL1. This event was sponsored by, inter alia, Sun Microsystems. At exhibit ARL3 he provides e-mails from others who wished to collaborate or license the product. At exhibits ARL4& 5 he provides e-mails from an academic organisation and a charity interested in using the product. He states that his company has an innovative concept which has established significant reputation and value. At exhibit ARL7 he provides a copy of a webpage referring to a talk he gave on “Web 2.0” at Cambridge University on 14 May 2009. He also states:

“ 5. With the advent of Web 2.0 and the introduction of web-based products and services, the average consumer has to extend his/her use of the term ‘Web’ to include those products or services which are Web based. This is especially important when some of these valuable Web-based services or products cannot take any other form. While in the past ‘Web-based’ would merely mean the on-line commercialization or promotion of an existing product, ‘Web-based’ can now be used to denote a product or service which only exists online.

6. With this inevitable shift in paradigm, whereby the term ‘Web’ can also denote a service or product of a Web based nature, the average consumer can correctly assume ‘WebCanvas’ to be a service or product that is Web-based. It is much easier to establish this association than to extrapolate that ‘WebCanvas’ is the same as one of ‘Canvas’

services or products with the difference of it being promoted or commercialized online. In this instance such an extrapolation would be particularly confusing, due to the multiple of 'Canvas' products and services concurrently being promoted and commercialized on the Web."

10) Mr Lopes provides an internet search which lists a number of CANVAS marks. However, this is of little relevance to my decision. Mr Lopes points out that use of the word "Web" for online services is not common as the "www" part stands for "World Wide Web", hence organisations such as the BBC and Domino's Pizza do not refer to their online presence as WebBBC or WebDominos. Mr Lopes also refers to other trade marks which have the word "Web" as part of the mark. Again this is not relevant, as all the factors in these marks achieving registration is unknown.

OPPONENT'S EVIDENCE IN REPLY

11) The opponent filed a witness statement, dated 6 August 2009, by Anjum Shiekh Bashir, the opponent's Trade Mark Attorney. She provides a copy of the definition of the word "culture", which is so poorly photocopied that it cannot be fully read. In any event she does not comment on why it is being provided. Also provided as an exhibit is the result of an Internet search of known trade marks with the word "web" put separately in front of a well known mark. The search shows that the word "web" is ignored.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

14) An "earlier trade mark" is defined in section 6 of the Act, the relevant part of which states:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks."

15) The opponent is relying upon its trade mark listed in paragraph 2 which is clearly an earlier trade mark. The opponent has only shown use on a very small part of its specification in its evidence. However, the Trade Marks (Proof of Use, etc.) Regulations 2004, do not come into effect in this case as the applicant stated in its counterstatement that it did not require the opponent to provide proof of use.

16) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P* (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

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

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

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in

DUONEBS should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v. Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

19) The opponent has singularly failed to show that it has a reputation in the services for which its mark is registered. I note that the only use shown of the mark is with regard to the basement area of the ARTA venue. Ms King states that “Since CANVAS is part of ARTA, the advertising promotions and the services provided cannot readily be separated out because they relate to the same venues”. However, later in her statement she seems to have forgotten this as she provides a figure which she states has been spent on promoting the mark. She also provides a turnover figure for the year 2007-2008 which spans the relevant date of 9 January 2008. It is not clear if the turnover figure for CANVAS can be separated from that of ARTA given they are part of the same venue. I also take note that the turnover will include sales of alcohol, and I have to question whether the goodwill and reputation from sales of other brands can accrue to the opponent. Even if I were to accept that such sales could accrue to the opponent the turnover figure is given as only £1.8 million which in the context of the specification for which the mark is registered must be considered relatively small. It is certainly not sufficient for them to enjoy enhanced protection because of reputation. However, I do accept that the opponent’s mark is inherently distinctive for the services for which it is registered.

20) I shall first consider the goods and services of the two parties. The opponent is selective in the goods and services it has opposed and so, for ease of reference, I set out the goods and services of the opponent and those of the applicant that are opposed.

Applicant’s specification	Opponent’s specification
Class 9: Apparatus for recording, transmission or reproduction of sound or images; digital music (downloadable from the Internet); electronic publications (downloadable).	
Class 41: Education; providing of training; entertainment and cultural activities	Class 41: Casinos, entertainment, night-club and discotheque services; party, conference and function planning; live performances; television, radio and video production services; rental and production of sound recordings; entertainment club services.
Class 42: design, drawing and commissioned writing for the	Class 42: Hotel services; catering for the provision of food and drink; cafe, restaurant and catering services; snack bars; bar

compilation of web sites; creating, maintaining and hosting the web sites of others.”	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.
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21) In carrying out the comparison I will take into account *British Sugar Plc v James Robertson & Sons Ltd* (TREAT) RPC 281. This identified the following as elements to be considered, uses, users, nature, trade channels, where the items are to be found and whether they are in competition. I must also consider the issue of whether the goods and services are complementary. In Case T-420/03 – *El Corte Ingles v OHIM- Abril Sanchez and Ricote Sauger* (Boomerang TV) the Court of First Instance commented at paragraph 96:

“96.....Goods or services which are complementary are those where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods or provision of those services lies with the same undertaking (Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, and judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gomez Frias* (euroMASTER), not published in the ECR, paragraph 35).”

22) I also take into account the views of Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 where he stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

23) Further, I also bear in mind the comments of Jacob J. in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

25) I must first determine the average consumer for the goods and services of the parties. Neither party has commented upon this aspect. It seems clear that the goods and services offered by the two parties are, mostly, aimed at both the general public and also the business community. For instance, night club services cater for the masses, whereas television production services are purchased by businesses. Both groups must therefore be regarded as the average consumer.

26) I shall first consider the applicant’s goods in Class 9. The opponent contends that these goods are similar to its services in Class 41. They state:

“1. Apparatus for recording, transmission and reproduction of sound or images includes television, radio, video, cinematographic apparatus and includes electronic storage or recording media such as CDs and DVDs which are all complimentary to the radio and video production services, rental and production of sound recordings.

2. The provision of the Opponent’s services will involve the aforementioned goods covered by the Mark in Suit because it is the intended purpose of such goods to facilitate the provision of the services covered by the Opponent’s registration.”

27) As I mentioned in paragraph 21 the question of complementary goods/services has been considered by the CFI in *Sergio Rossi SpA v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) (T-169/03) [2005] E.C.R. II-685 and *Eurodrive Services and Distribution NV v Office for Harmonisation in the Internal Market* (Trade Marks and Designs) (OHIM) (T-31/00), unreported . In the former case the CFI stated:

“60. According to the definition given by OHIM in paragraph 2.6.1 in Chapter 2 of Part 2 of the Opposition Guidelines, referred to in paragraph 35 above, complementary goods are goods which are closely connected in the sense that one is indispensable or important for the use of the other so that consumers may think that the same undertaking is responsible for the production of both goods.

61. In the present case, the applicant has failed to establish that, in terms of their function, the goods in question are complementary in this way. As is clear from paragraph 2.6.2 in Chapter 2 of Part 2 of the Opposition Guidelines, referred to in paragraph 35 above, OHIM appears to concede that the goods are aesthetically, and therefore subjectively, complementary in a way which is determined by the habits and preferences of consumers to which producers' marketing strategies or even simple fashion trends may give rise.

62. However, the applicant has failed to demonstrate, during either the proceedings before OHIM or those before the Court, that this aesthetic or subjective complementary nature has reached the stage of a true aesthetic ‘necessity’ in the sense that consumers would think it unusual or shocking to carry a bag which does not perfectly match their shoes. The Court takes the view, first of all, that the search for a certain aesthetic harmony in clothing is a common feature in the entire fashion and clothing sector and is too general a factor to justify, by itself, a finding that all the goods concerned are complementary and, thus, similar. The Court observes, in addition, that the facts and evidence submitted by the applicant for the first time before the Court cannot, in the present case, call into question the lawfulness of the contested decision as shown in paragraphs 19 et seq. above.

63. Moreover, the fact that consumers regard a product as a complement of or accessory to another is not sufficient for them to believe that those products have the same commercial origin. For that to be the case, consumers would also have to consider it usual for those products to be sold under the same trade mark, which normally implies that a large number of the producers or distributors of the goods are the same.”

28) The manufacturers of apparatus for recording and transmitting and reproduction of sound and images are, in my experience, not engaged in the production of CDs and DVDs, although those that do produce CDs and DVDs will use such apparatus in their production. The respective goods and services, in my view, neither have a symbiotic nor mutually dependent relationship. Consequently, I do not consider that the respective goods are complimentary, they are completely dissimilar.

29) With regard to the applicant's goods "digital music (downloadable from the internet)" and "electronic publications (downloadable)" in Class 9 the opponent contends:

i. May include publications relating to, describing or commenting on the following services covered by the Opponent's registration, "casinos, entertainment, night-club and discotheque services; party, conference and function planning; live performances;... hotel services... café, restaurant and catering services; snack bars; bar and pub services; sandwich bars and take- away restaurant services; cocktail lounge services..". Furthermore, digital music may include digital recordings of live performances. Therefore "digital music (downloadable from the Internet)...electronic publications (downloadable) are complimentary to the opponent's services.

ii. The intended purpose of the Applicant's goods is to inform or entertain the recipient/reader. The intended purpose of "entertainment, night-club and discotheque services...live performance; television, radio and video production services; rental and production of sound recordings, entertainment club services" is to inform or entertain the end user. The intended purpose of the respective goods and services are therefore, the same.

iii. In the case of "television, radio and video production services; rental and production of sound recordings" the nature and method of use are the same as "electronic publications (downloadable)" because they are intangible and provided by electronic means.

iv. In the case of entertainment, night club and discotheque services; live performances; television, radio and video production services; rental and production of sound recordings are of the same nature as "digital music (downloadable from the Internet)" because all may comprise of music in various forms".

30) The fact that the applicant's publications are downloadable and so lack physical form is a point of similarity, but is not compelling. I accept that the intended purpose of the opponent's services is to entertain and could be said to inform and this is another point of similarity with the applicant's goods. I accept that "digital music" is similar to "rental and production of sound recordings".

31) Clearly, "entertainment and cultural activities" in the applicant's Class 41 services are encapsulated within the opponent's Class 41 services and so are identical. With regard to the applicant's "Education, providing of training" services within Class 41 the opponent contends that where these are in the fields covered by its specification they would be both ancillary and complimentary to the opponent's services, a view which I share.

32) Turning to the applicant's Class 42 services the opponent contends:

i. Websites contain and host material and commentary on a variety of subjects which can include entertainment. More and more such websites actually include music and other entertainment. Youtube is a rather well known example. We refer to exhibit ARL1 of Mr Lopes' Witness Statement 1, which shows the content of his website and it includes musical content and competitions such as WatZatSong and information regarding editing of films. Therefore, "design, drawing and commissioned writing for the compilation of websites: creating, maintaining and hosting the websites of others" covered by the Mark in Suit are at the very least, complimentary to "entertainment, television, radio and video production services".

ii. Furthermore, such website content may include information portal services commenting on hotels, café, restaurant and catering services; snack bars; bar and pub services; sandwich bars and take-away restaurant services; cocktail lounge services". Again such services are at least complimentary to the "hotel services...café, restaurant and catering services; snack bars; bar and pub services; sandwich bars and take-away restaurant services; cocktail lounge services" as covered by the Opponent's registration."

33) Designing and compiling a website is not an activity usually undertaken on behalf of a member of the public. It would normally be commissioned by a business. This is the kind of activity where a face to face meeting will take place prior to an order being placed. To my mind this type of activity is utterly different to the services offered by the opponent even if there is a superficial similarity in that a website could comment on the type of activity undertaken by the opponent or even have as part of its content entertainment features. The end website will not be under the applicant's trade mark, merely the service which actually creates it for the client.

34) I now turn to consider the marks of the two parties. The mark in suit is "WebCanvas" whilst the opponent's mark is "CANVAS". The applicant contends that the marks are different and that the common method of indicating a web-address is the use of "www," not the use of the word "web". They contend that the average consumer will view their mark as distinctive as the distinctive element is the "web" component. The opponent contends that the word "web" would be viewed as an abbreviation for "world-wide web" or the Internet. They contend that the only distinctive element of the applicant's mark is the "Canvas" element. They refer me to the *Medion* case (see paragraph 16 above) in particular.

35) I do not completely accept either sides contentions. The *Medion* case acknowledges that the overall impression conveyed to the relevant public by a composite mark may, in certain circumstances, be dominated by one or more of its components. Clearly, the applicant's mark consists of the whole of the opponent's mark with the word "web" added to the start. To my mind, the marks are therefore highly similar, visually and aurally. Conceptually, neither mark has any meaning with the exception of some applications within the Class 42 services offered by the applicant which would appear to be the only use to which the mark has been put thus far.

36) I take of all of the above into account when considering the marks globally. To my mind, the similarities in the marks are such that when used on identical, similar or complementary goods or services I believe that there is a likelihood of consumers being confused into believing that those goods or services provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore succeeds in relation to the following goods and services:

In Class 9: digital music (downloadable from the Internet); electronic publications (downloadable).

In Class 41: Education; providing of training; entertainment and cultural activities.

37) I now turn to the ground of opposition under section 5(4)(a) which reads:

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

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

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

38) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

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

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

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

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

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

39) To the above I add the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he 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) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“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) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the Court of First Instance 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 stated:

“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 18 March 2008.”

42) Applying this reasoning to the Act, the material date is the date of the application for registration. However, if there had been use of the trade mark by the applicant prior to the date of application this would have to be taken into account. It could establish that it was the senior user, that there had been common law acquiescence or that the existing position should not be disturbed and so use would not be liable to be prevented by the law of passing-off. (See *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42). In the instant case there has been no use of the applicant's mark so the relevant date is the application date 9 January 2008.

43) With these considerations in mind I turn to assess the evidence filed as set out earlier in this decision. The opponent would appear to have only used its mark in relation to the basement room of its ARTA labelled night club. The room is a comedy club venue, which also has a cabaret featuring live music. I do not accept that the opponent has established that it has anything other than minor goodwill and no significant reputation in its mark. The goodwill and reputation it does have are limited to night club/comedy club services.

44) I now move to consider the issue of misrepresentation. Clearly, my earlier finding that the marks of the two parties are similar still holds. However, I must consider whether given the fact that the opponent enjoys goodwill in a narrower field, whether the use of the applicant's mark upon those goods and services for which it has applied would lead to misrepresentation. For this to occur the services of the applicant would have to be similar/complementary to those for which the opponent has a goodwill. I accept that the following goods and services fall within this description:

In Class 9: digital music (downloadable from the Internet); electronic publications (downloadable).

In Class 41: Education; providing of training; entertainment and cultural activities.

45) In my opinion even though the marks are quite similar there is such a difference between the remaining fields of activity of the two parties that there will be no misrepresentation, nor damage, and so the ground of opposition under section 5(4)(a) succeeds only upon the goods and services shown above.

46) In summary the opponent has succeeded under both sections 5(2)(b) and 5(4)(a) in respect of:

Class 9: digital music (downloadable from the Internet); electronic publications (downloadable).

Class 41: Education; providing of training; entertainment and cultural activities.

47) For clarity, this means that the mark in suit can be registered for the following (which includes those goods and services which were not opposed):

Class 9: Apparatus for computer aided design; apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer software downloadable from the Internet for use in a Web 2.0 application for creating and manipulating images on a web page; computer games equipment adapted for use with an external display screen or monitor; mouse mats; mobile phone accessories.

Class 16: Photographs; artists' materials; paint brushes; instructional and teaching material.

Class 25: Clothing, footwear, headgear.

Class 36: Stockbroking; financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.

Class 42: Design and development of computer hardware and software; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others.”

COSTS

48) Both parties have achieved a measure of success. I therefore decline to make a costs award.

Dated this 16 day of December 2009

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