

O-113-11

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2441311
BY OAO "ALFA-BANK" TO REGISTER THE TRADE MARK**



IN CLASS 36

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 96153
BY ALPHA BANK A.E.**

TRADE MARKS ACT 1994

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**IN THE MATTER OF Opposition thereto under No. 96153
by Alpha Bank A.E.**

BACKGROUND

1) On 13 December 2006, OAO “Alfa-Bank” (“OAO”), of 27 Kalanchevskaya Ul., 107078 Moscow, Russia applied under the Trade Marks Act 1994 for registration of the mark shown above and in respect of *financial services* in Class 36.

2) The application was published in the Trade Marks Journal on 9 November 2007 and on 7 February 2008, Alpha Bank A.E. (“ABAE”) of 40 Stadiou Street, 10252 Athens, Greece filed notice of opposition to the application. The grounds of opposition are in summary:

- a) the mark is similar to ABAE’s earlier mark and is in respect of identical or similar services and should therefore be refused under Section 5(2)(b) of the Act.
- b) the mark is similar to ABAE’s earlier mark which has a reputation and should therefore be refused under Section 5(3) of the Act.
- c) it’s unregistered mark ABAE is protected by virtue of the law of passing off and because of this protection, OAO’s application should be refused under Section 5(4)(a) of the Act.

3) The relevant details of ABAE’s earlier mark are as follows:

Mark Details	List of Services
1309354 ALPHA Filing date: 8 May 1987 Registration date: 24 July 1992	Insurance and financial services; all included in Class 36.

4) The applicant subsequently filed a counterstatement denying ABAE's claims and where it claimed to have a use, reputation or goodwill in its earlier mark, it has been put to proof on those claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 20 October 2010 when ABAE was represented by Jonathan Hill of Counsel, instructed by Thomas Cooper and OAO was represented by Jennifer Maddox of WP Thompson & Co..

Opponent's Evidence

6) This takes the form of a witness statement by Martin John Waghorn, Managing Director of Alpha Bank London Limited. He explains that the facts in his statement come from his own knowledge or from the records of ABAE's London Branch, Alpha Bank London Limited or Alpha Credit Group plc and that he is duly authorised to speak on behalf of ABAE. He states that ABAE operates in the UK through the branch, which is a member of the three entities listed above as well as ABAE itself and that the three entities are all wholly owned subsidiaries of ABAE.

7) ABAE was founded in 1879 and is one of the largest banks in Greece and its origins in the UK can be traced back to 1922. It is active in the international banking market with a presence in a number of territories including the UK. The UK branch was registered at Companies House on 1 November 1989 and is also registered with the Financial Services Authority. Alpha Bank London Limited adopted its name on 1 February 1995 and Alpha Credit Group was incorporated in the UK on 1 April 1999.

8) Mr Waghorn states that ABAE's mark was first used in the UK no later than 1992 in respect of insurance, financial and banking services as well as in respect of investment products. ABAE operates out of two London branches and a photograph of a branch is provided at Exhibit MJW11 and illustrates use of signage showing the mark ALPHA BANK LONDON. Mr Waghorn states that this signage has been in constant use for fourteen years. He supports this statement by providing a copy of the planning application for the signage, granted 19 October 1998. The other branch has carried the signage since 1995.

9) Mr Waghorn provides the following profit figures extracted from various annual returns, copies of which are provided at Exhibit MJW1:

YEAR	Profit after tax (£)		
	Alpha Bank London Limited	ABAE's London Branch	Alpha Credit Group plc
2001	2,547,000	-	164,251
2002	2,605,000	1,103,000	234,104
2003	2,848,000	2,353,000	1,061,801
2004	3,725,000	2,411,000	3,621,689
2005	2,430,000	4,060,000	€8,496,762
2006	1,877,000	4,986,000	€11,184,441
2007	4,202,000	3,049,000	€15,832,000
2008	587,000	7,633,000	€16,733,000

10) Exhibit MJW3 is a copy of an application form that customers must complete to open an Alpha Bank account. Alpha Bank London Limited appears prominently at the top of every page. Examples of completed forms, such as Appointment of Bankers, Company Mandates and Individual Account Mandate forms all featuring Alpha Bank London Limited on their front page, are provided at Exhibit MJW4. These are dated between 1997 and 2009 with seven being dated within five years of the filing date of OAO's mark.

11) ABAE has over 3000 customers in the UK and holds deposits which have ranged between £149 million and £286 million in each year between 2001 and 2008.

12) Mr Waghorn provides two tariff sheets at Exhibit MJW5. One relates to 2004 and the other to 2009. Both feature the name Alpha Bank London Limited and the earlier of the two states that the tariff provides "a guide to our principle charges applying to personal accounts".

13) ABAE provides finance to its customers and members and is "particularly active in the UK residential and commercial property markets." Mr Waghorn draws attention to the amount loaned to customers by Alpha Bank London Limited and recorded in its annual accounts shown in Exhibit MJW1. This amount ranges between £186,070,000 in 2002 to £263,007,000. Higher figures are also recorded for the years 2007 and 2008.

14) Alpha Bank London provides its customers with a wide variety of investment products and Mr Waghorn provides examples of these at Exhibit MJW7. There are nineteen examples provided from between 2002 and 2008. They include a form for investment instructions in respect to "3 New USD \$ Fixed Rate Bonds", dated 19 November 2003. The origin details are recorded on this form variously as "ABL Independent Financial Advisors Ltd", "Alpha Bank London Independent Financial Advisors Ltd.", "Alpha Bank London", "ABL IFA" and the following composite mark:



- 15) Similar origin details are recorded on forms relating to a “USD \$ 3 Year Floating Rate Accrual” dated 28 November 2003 and a “3.5 Year Callable Cumulative Inverse Floater Note” dated 16 June 2004.
- 16) Documents relating to other investment products are also provided where the origin is identified as “Alpha Bank London Limited” or “Alpha Bank London”.
- 17) Alpha Bank London also offers “execution only” services and at Exhibit MJW8, Mr Waghorn provides copies of a selection of “confirmation of execution orders” from the years 2004 to 2008. These all carry the header “Alpha Bank London”.
- 18) ABAE, through its subsidiary Alpha Credit Group plc, is involved in raising finance through the issue of “Euro Medium Term Notes” which are, in turn, guaranteed by ABAE through the use of a “Euro Medium-Term-Note Programme”. Examples of “opening circulars” related to this service are provided at Exhibit MJW9 and “Alpha Credit Group PLC” and “Alpha Bank AE” appear prominently at the top of each. These are dated 17 December 2002, 17 November 2003, 6 December 2004, 2 February 2006 and also three others from 2007, 2008 and 2009 respectively. These programmes involve sums in the region of €3 billion to €15 billion.
- 19) Mr Waghorn, at Exhibit MJW10, provides numerous examples of correspondence issued by Alpha Bank London and Alpha Credit Bank and with these names appearing as a header on the correspondence. Examples are provided for each year 1995 to 2009.
- 20) ABAE and its subsidiaries have been listed in numerous banking publications. Although ABAE does not retain the actual adverts, Mr Waghorn provides copies of letters relating to these advertisements at Exhibit MJW16 covering a time frame from 5 June 2000 through to 2009. Alpha Bank London Limited also undertakes various marketing activities and documents relating to the events are provided at Exhibit MJW17. The first of these is an invitation, from the chairman of Alpha Bank London Limited, to cocktails and canopies to celebrate the tenth anniversary of the bank on 18 May 2005. Another is a copy of a letter acknowledging acceptance of an invitation to a “Big Screen Dinner” at the Grosvenor House Hotel, London on 20 June 2006. The name “Alpha Bank London” appears at the top of the letter. Three other letters relating to other events are also provided, dated between April 2007 and May 2008.
- 21) Alpha advertises in, and sponsors, a variety of publications and charities, the majority are Greek or Greek related. At Exhibit MJW18, Mr Waghorn provides a

detailed list of sponsorship and advertisements which ABAE has placed between 1996 and 2008. To summarise, the total figures involved are set out below:

Year	£s
1996	16,872
1997	16,951
1998	9,235
1999	12,821
2000	13,786
2001	13,762
2002	9,410
2003	4,410
2004	3,220
2005	3,545
2006	3,205
2007	3,540
2008	2,130

22) Mr Waghorn has encountered regular instances of confusion between the Opponent's London group and the Applicant ever since he commenced work for ABL in 2004, although he has not retained records of them. He gives examples of receiving enquiries about involvement in the Russian finance market and also to the potential financing for customers.

Applicant's Evidence

23) This takes the form of four witness statements. The first of these, dated 21 December 2009, is by Jennifer Margaret Maddox, the trade mark attorney acting for the applicant in these proceedings. The purpose of Ms Maddox's statement is to introduce into these proceedings, the witness statement dated 10 July 2003 of Denis E Voronin. Mr Voronin's statement was originally submitted in support of an earlier trade mark application 2279782 ALFA BANK and device. Mr Voronin was the deputy head of OAO Alfa-Bank's legal department. In his witness statement he says that the mark in question was first used in 1998 and had been in continuous use since then. He provides figures for the years 1999 to 2002 illustrating that the bank had rapidly rising amounts of "debit accounting operations" and "credit accounting operations". By 2002 both were in the region of about £1.2 billion.

24) Mr Voronin also stated that the bank placed advertisements "consistently" in a number of publications, including the *Financial Times* and *Businessweek* and that promotional spend for 2002/3 was £360,898 and £116,391 respectively. He also detailed a number of conferences that the bank participated in and a number of events it sponsored.

25) The second witness statement, dated 25 January 2010, is by Rushan Khvesyuk, Chairman of OAO's management board. He explains that OAO set up an office in London in 2000 with a view to attracting UK investment into companies in Russia and the CIS countries (Mr Khvesyuk does not explain the meaning of this term, but I understand it to mean the former Soviet Republics, now collectively known as the Commonwealth of Independent States) and in the first four years conducted a considerable amount of PR activity. Its client base comprises institutional investors such as high street banks, investment banks and pension funds. Exhibit AB1 provides a copy of OAO's corporate profile illustrating that it does not provide any personal banking function. Mr Khvesyuk states that OAO has traded in London alongside ABAE for the last ten years, without confusion.

26) The third witness statement is also made by Ms Maddox. The purpose of this statement is to provide clearer copies of exhibits provided by Mr Khvesyuk. It is not necessary for me to detail these.

27) The fourth witness statement, dated 28 January 2010, is by Simon Roache, Chief Executive Officer of Alfa Capital Markets that is part owned by OAO. He explains that OAO was founded in 1990 in Russia to provide a wide range of financial services (including retail banking services) and provides details of the scale of its activities in Russia. He also states that the mark ALFA-BANK has been used in the UK since 1999. He provides figures for income obtained from the UK during the five years prior to the filing date that range from between about £2 million to £4 million. He confirms that OAO's customers in the UK are institutional investors who are looking to invest in the stock markets of Russia or the CIS countries. Its client base consists of some 80 major financial institutions. OAO issues briefs to its clients relating to trading activities and share price movements. These briefs have featured the applied for mark since January 2006.

28) Mr Roache also states that OAO's UK activities also include acting as corporate banker to companies listed on the London stock exchange.

29) Mr Roache says that in the nine years OAO has been trading in the UK (including six years prior to the date of application), there has not been any instances of confusion.

Opponent's Evidence in reply

30) This consists of a further witness statement, dated 17 May 2010, by Mr Waghorn. He explains that since his original statement in May 2009, he has retained a selection of correspondence ABAE has received that demonstrates that confusion exists in the marketplace between the respective parties. The first two of these, at Exhibits MJW1 and MJW2, are invitations from a supplier of banking software to attend a management event in Berlin in May 2010. They are both addressed to employees of OAO but at ABAE's UK address.

31) Similarly, at Exhibit MJW4, there is an invitation to attend a conference in London in May 2010, issued by a company called "Marketing". Once again, the invitation is addressed to an OAO employee but at ABAE's address.

32) At Exhibit MJW6 there is an email to Mr Waghorn, dated in May 2010, from a person seeking an internship or PA position. This person lists as part of his skills set, that he is "a bilingual postgraduate, specializing in Russian and Diplomacy". The inference being that he intended to contact the applicant.

DECISION

Proof of use

33) The Trade Marks (Proof of Use, etc) Regulations 2004 apply in this case. The provision reads as follows:

"6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, ...

...

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services...”

34) Section 100 of the Act is also relevant, which states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

35) The contested mark was published on 9 November 2007 and ABAE’s mark completed its registration procedure in 1992. Clearly this is more than five years before the publication date of OAO’s mark. No claim has been made in respect of proper reasons for non-use so it is necessary for ABAE to demonstrate that genuine use has been made of its mark during the five years directly preceding this date, namely between the 10 November 2002 and 9 November 2007. The requirements for “genuine use” have been set out by the Court of Justice of the European Union (CJEU) in its judgments in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C495/07, [2009] ETMR 28 and by the Court of Appeal in the UK in *LABORATOIRE DE LA MER Trade Mark* [2006] FSR 5. The principles established in these judgments have been conveniently summarised by Ms Anna Carboni, sitting as the Appointed Person in O-371-09 *SANT AMBROEUS*:

42. The hearing officer set out most of the key extracts from *Ansul* and *La Mer* in his decision, so I shall not reproduce them here. Instead, I try to summarise the “legal learning” that flows from them, adding in references to *Silberquelle* where relevant:

(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].

36) Taking account of this guidance from the courts it is clear that genuine use does not need to be quantitatively significant and that when assessing if the use is sufficient it is necessary to consider all surrounding circumstances. It is clear from the evidence that ABAE has had a business in the UK for a number of years prior to the publication of OAO's mark.

37) Use is claimed to be by ABAE's London branch, Alpha Bank London Limited and Alpha Credit Group plc. Mr Waghorn states that these are all wholly owned subsidiaries of ABAE and as such, I will consider any use of the mark ALPHA as use with consent. However, before I can fully consider if there has been genuine use, there is a number of issues that I must consider and I do this below.

Use of the mark as registered

38) It is established case law that to qualify as genuine, use of a mark must be in the form registered or in a form which does not alter the distinctive character of the mark in the form in which it is registered. The leading English authority on the issue is the Court of Appeal decision in *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc (BUD)* [2003] RPC 25. This court of appeal decision provides me with some guidance on how to approach this issue:

“.....The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

39) More recently, the same issue has been considered by both the General Court (GC) and the CJEU. These cases have been reviewed by Richard Arnold QC, sitting as Appointed Person, in *NIRVANA Trade Mark* (BL O/262/06) and *REMUS Trade Mark* (BL O/061/08). He summarised his review in *NIRVANA* (and reiterated it in *REMUS*) in the following way:

“33. The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period....

34. The second question is whether the sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all...”

40) In the *NIRVANA* and *REMUS* cases, Mr Arnold was considering whether use of a mark that consisted of two distinct words was sufficient to demonstrate use of only one of those words. Therefore, the circumstances of those cases are slightly different to that of the *BUD* case, but have distinct parallels with the current case.

41) The registered mark is the word ALPHA in ordinary typeface. There is no embellishment or additional material and it follows that its distinctive character resides in the word alone.

42) The marks shown in the evidence are in a number of forms. The mark ALPHA BANK LONDON appears on the bank's "Sole or Joint Account Mandate" forms, "confirmation of execution orders" dated within the relevant period. The mark ALPHA BANK AE (and a further composite mark that I do need to detail here) appears on "opening circulars" issued within the relevant period. A "product summary" document dated February 2006 also shows the composite mark reproduced in paragraph 14 above.

43) All of the above examples are illustrative of the nature of ABAE's use. There are further similar examples, but for the purposes of my analysis, those listed above are sufficient.

44) The differences between these versions of the marks and the mark, as registered, is the addition of the words BANK LONDON and BANK AE. In assessing whether such use constitutes use of the mark, as registered, I am mindful of Anna Carboni's comments, when sitting as the Appointed Person, in *ORIENT EXPRESS trade mark* (BL O-299-08):

73. ..., I bear in mind the purpose of section 46(2), which is to allow a trade mark proprietor to rely on variations in the way in which the mark is used, when exploiting it commercially, for example so as to enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned, provided that the distinctive character of the mark remains the same: *Case T-194/03 Il Ponte Finanziaria SpA v OHIM* at [50]. In this way, a proprietor can also avoid the need to register every different variant of his mark in which the differences do not alter its distinctive character. But variants that go beyond that test, even if the differences are only "slight", will need to be registered separately to be protected: *BUD* at [22]-[23]; *Case C-234/06P Il Ponte Finanziaria SpA v OHIM* [2008] ETMR 13 at [86].

45) Whilst I have no evidence before me on this point, the principle set out in *Il Ponte Finanziaria SpA v OHIM* and noted by Ms Carboni in her paragraph 73 is relevant. The addition of the words BANK LONDON to the mark ALPHA appears to fall into the category of variant use that enables ABAE to adapt its mark to the marketing and promotion requirements of the services concerned. The addition

of the descriptive words BANK LONDON does not change the distinctive character of the mark as registered. Similarly, the addition of the word BANK AE merely describe the nature of the services and, whilst the precise meaning of AE will not be known by the average UK consumer, it will nonetheless be seen as indicating some nature of the company in the same way as "ltd" or "plc" may do. As such, I accept the exhibits as being an illustration of genuine use of the mark as registered. This use relates to time periods that cover the relevant period in these proceedings.

Fair specification

46) There is an additional issue that I must address. ABAE's mark is registered for *insurance and financial services*. This covers a very wide range of services and I must decide if the evidence reflects use on such a wide range and if not, what would be a fair specification. I, therefore, move on to consider the scope of services that use has been shown. In doing so, I keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 in relation to determining what constitutes a fair specification, namely:

"29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

47) The comments of Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19 are also relevant:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pedantic way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

48) Finally, I am also mindful of the guidance provided by *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (ALADIN)* Case T-126/03:

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétouquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of subcategories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the subcategory or subcategories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the

goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of ‘part of the goods or services’ cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

...

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

49) The evidence submitted by ABAE, such as forms that a customer must complete to open an account with the bank and the tariff for charges that apply to personal accounts, all indicate that its bank account services are provided to the general public rather than commercial customers.

50) With regard to its business of providing property loans, the customer distinction is not obvious, Mr Waghorn states that the bank is particularly active in both the commercial and residential market in the UK, but he does not explicitly identify who ABAE’s customers are in respect of these services.

51) Finally, ABAE provides evidence illustrating that it is involved in the issue of “Euro Medium Term Notes” and a “Euro Medium-Term-Note Programme”. At the hearing Ms Maddox argued that these relate to the normal activities of a high street retail bank and refers to no more than the bank’s activities of depositing the money from its retail client’s accounts in order for it to be able to pay interest to its customers and to be able to generate income for itself. On the other hand, Mr Hill argued, on behalf of ABAE, that such activities are clearly investment bank services. He points to the “Offering Circular” at Exhibit MJW4 that refers to

a number of dealers that such notes can be issued. These dealers are all well known investment banks such as JP Morgan, Deutsche Bank and Morgan Stanley. Whilst I am no expert in this field, it does seem to me that as dealers are listed that are external to the Alpha group of companies, this does point to ABAE providing these “notes” as part of some type of investment banking activity.

52) I do not believe that it would be appropriate for ABAE to maintain a specification for *insurance and financial services* at large because there is no evidence of ABAE providing any insurance services and because it has shown use only in respect of certain financial services. Taking all of this into account and also the guidance provided by Jacob J in *ANIMAL trade mark*, it is appropriate to limit ABAE’s specification of services to the following:

Retail banking services; investment bank services; property loans

53) I will continue with my consideration of the grounds of opposition based upon this list of services only.

Section 5(2)(b)

54) Section 5(2)(b) reads:

“(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.”

55) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means –

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

56) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU 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] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 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 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 (LIMONCELLO)*

Comparison of services

57) In assessing the similarity of services, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

58) Other factors may also be taken into account such as, for example, the distribution channels concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

59) For convenience, I summarise below the services to be considered:

ABAE's services	OAQ's services
<i>Retail banking services; investment bank services; property loans</i>	<i>Financial services</i>

60) A further case that I am mindful of is the General Court's (GC) judgment in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) ("Meric")* Case T-133/05, para 29, where it provided the following guidance:

"In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42)."

61) With this guidance in mind, it is clear that all of ABAE's services are covered by the broad term in OAO's specification and I therefore conclude that the respective services are identical. I note OAO's contention that it does not provide personal banking but this is not reflected in its specification, as filed. Further, even if it was so limited, I have found that ABAE provides investment bank services also.

62) As a fall back at the hearing, Ms Maddox argued that OAO's business is in respect to brokerage services in securities, whereas ABAE is involved only in personal banking services.

63) If I am wrong in my finding regarding the scope of ABAE's specification following an analysis of its genuine use, I will go on to also consider Ms Maddox's case and compare *personal (or retail) bank services* alone with *brokerage services in, and provision of information and advice on, securities* (a limited specification offered, as a fall back, on behalf of OAO at the hearing). There is some overlap in terms of the nature of the services. The services of a bank include providing advice to clients on what to do with their money. Advice relating to brokerage services also includes this. However, generally speaking, the first does this through interest paying cash accounts, the other through the investment in the shares of companies and other investment vehicles. So there is some shared purpose, namely to provide a return for its customer. The trade channels can also overlap (as a financial institution can provide both retail banking services and investment services). They may also be in competition as a consumer may have to choose whether to invest their money in lower risk cash accounts or higher risk investment vehicles. As such, both types of products will compete with each other for the customer's money. Taking all of these factors

into account, I conclude that there is a moderately high level of similarity between these services.


The average consumer

64) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the services at issue. Both parties' specifications cover financial services that can be aimed at the ordinary members of the public and/or to the more specialised institutional investor. Even if I am wrong in my assessment of ABAE's services and their consumer is limited only to customers of its retail banking services, they can still be the same as OAO's consumers as they can also be retail investors who will also be users of retail banking services. I conclude that the average consumer of the respective services has a significant overlap.

65) The purchasing act for all the respective services will, in the vast majority of cases, be well considered as the average consumer will be concerned about finding the most appropriate home for his/her money.

Comparison of marks

66) For ease of reference, the respective marks are:

ABAE's mark	OAO's mark
ALPHA	

67) When assessing the extent of similarity between the respective marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23). Beginning with a visual comparison, ABAE's mark consists of the single word ALPHA in ordinary typeface. OAO's mark consists of the letter "A" with a horizontal line underneath together with the words ALFA BANK separated by a dot. The whole mark is in a uniform red colour. The only visual similarity between the marks is the similar word ALPHA/ALFA that share the same first two letters and the same last letter. Taking account of these differences and similarity, I conclude that the respective marks share a moderate level of visual similarity.

68) From an aural perspective, the obvious point of similarity is the word ALPHA/ALFA. Both words are common alternative spellings of the same word, being the word for the first letter of the Greek alphabet. They are phonetically identical, both consisting of the two syllables ALFF-A. I have not received any specific submissions on the point, but it is common for the device or symbol element of a mark not to be pronounced and therefore OAO's mark will be said

as ALFA BANK and not A ALFA BANK. As such, the addition of the word BANK in OAO's mark is a point of aural difference between the marks, but the additional letter A and underline is not. Taking all these points into account, I find that the respective marks share a high level of aural similarity.

69) From a conceptual perspective, ABAE's mark conveys the simple message of the first letter of the Greek alphabet. OAO's mark has additional elements that result in a conceptual identity of a bank identified by the word ALFA. The single letter "A" with an underline also has some impact and will be seen as the first letter of the Roman alphabet. Taking all of this into account, I conclude that the respective marks share a reasonably high level of conceptual similarity.

70) I must bring all these findings together to consider the overall level of similarity between the respective marks. I have found that they share a moderate level of visual similarity, a high level of aural similarity and a reasonably high level of conceptual similarity. The word ALFA in OAO's mark is a distinctive element as least as dominant as the underlined letter "A". The word BANK is descriptive in this context and therefore not a dominant element. Taking all of this into account, I find that all of the above points combine to give the respective marks a reasonably high level of similarity overall.

Distinctive character of the earlier trade mark

71) I have to consider whether ABAE's marks have a particularly distinctive character either arising from the inherent characteristics of the mark or because of the use made of it. It consists of the word ALPHA. This has a clear meaning in English, as already identified above, but in respect of the relevant services the word has no connection other than perhaps the faintest allusion to be the first or most prominent institution in the field. As such, the mark enjoys a reasonably high degree of inherent distinctive character, but no more than that.

72) I must also consider the effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act. This was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen 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 distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

73) ABAE has demonstrated that it has an established business in London, being provided from two branches and targeted at Greek nationals living in the UK. It is part of a larger established bank in Greece. As a result, the mark may have acquired an enhanced distinctive character in the minds of Greek nationals in the UK, however, this is not the average consumer that I am required to consider. The relevant average consumer for my considerations is the average consumer of retail banking services, investment services and property loans. This will be most adults in the UK. When considered in this context, the operation of just two branches will not result in a reputation in the UK that will have the effect of enhancing the inherent distinctive character of ABAE’s mark.

Likelihood of confusion

74) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V* paragraph 27).

75) I have found that the respective marks share a moderate level of visual similarity, a high level of aural similarity and a reasonably high level of conceptual similarity, combining to give a reasonably high level of similarity overall. I have also found that the respective services are identical or, in respect of OAO’s proposed narrower specification, share a moderately high level of similarity. There is a range of average consumers, but the purchasing act is always reasonably well considered. Finally, I have also found that ABAE’s mark enjoys a reasonably high level of distinctiveness but that this has not been enhanced through its use.

76) Taking all the factors into account, I find that the relevant public would be confused as to the origin of any identical services provided under OAO’s mark in that they would believe that such services were provided by the same or economically linked undertaking.

77) I note that Ms Maddox requested, in the event I found against OAO for the specification of services as filed, that I consider the application insofar as the specification is restricted to those services in relation to which the mark has actually been used, namely:

Financial services, namely brokerage services in securities of Russian companies and companies from the CIS countries and investment banking services relating to investments in Russia and the CIS countries.

78) As a further alternative, Ms Maddox also requested that I consider a further specification as follows:

Brokerage services in, and provision of information and advice on, securities of Russian companies and financial institutions and companies and financial institutions in the CIS countries.

79) Considering such specifications, I am still of the view that there is a likelihood of confusion. Even if I am wrong in my assessment of ABAE's evidence insofar as it relates to investment banking, the provision of retail banking services alone would, to my mind, be sufficient for a finding of indirect confusion with OAO's services as detailed in the above paragraph. It is not uncommon for banking institutions to provide both retail bank services and investment bank services or for such services to be provided by economically linked undertakings. Therefore, even in respect of these limited services, I find that the average consumer will believe that the respective services are provided by the same or economically linked undertakings.

80) Therefore and in summary, I find that there is a likelihood of confusion, even when considering limited specifications of both parties.

Concurrent Use

81) Having found that a prima facie likelihood of confusion exists, the only factor that can save the application is the existence and effect of concurrent use. At the hearing, Ms Maddox claimed that the respective marks have co-existed in the UK marketplace for at least six years with OAO trading in the services listed in paragraph 75 above.

82) She also acknowledged that co-existence "is not a complete defence in an opposition but it is a 'relevant' factor to be taken into account when assessing whether there is a risk of confusion" (CODAS Trade Mark [2001] RPC 14 para 25). Ms Maddox drew my attention to the following comments of Anna Carboni, sitting as the Appointed Person in *Ion Associates v Philip Stainton & Another* BL O-211-09, para 52:

“For honest concurrent use to be of assistance to an applicant, it must be possible for the tribunal to be satisfied that the effect of the concurrent trading is such as to suggest that the relevant public has shown itself able to distinguish between goods bearing the marks in question without any confusion as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to satisfy the tribunal that any apparent capacity for confusion has been adequately tested and found not to exist”.

83) Ms Maddox applies Ms Carboni’s comments to the facts of this case by saying that the public has shown itself capable of distinguishing the respective parties due to the fact that they service different purchasing groups. However, for concurrent use to be of assistance to an applicant I must be satisfied that the effect of concurrent trading has been that the relevant public has shown itself able, in fact, to distinguish between services bearing the marks in question i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience. This is not the case here. As Ms Maddox was at pains to point out, OAO is only actually trading as a broker of Russian and CIS country securities where its customers are institutional investors such as high street banks, investment banks and pension funds. On the other hand, I have found ABAE is providing retail banking, investment services and property loans. As ABAE makes clear, the majority of its customers are Greek nationals in the UK. Even in respect of ABAE’s investment bank services, the evidence does not show any overlap with OAO narrowly defined customer base. There is no evidence that ABAE has any institutional customers of the type that utilise OAO’s services.

84) Therefore, in light of this evidence and in the absence of any evidence to the contrary, I am not satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin. My prima facie finding regarding likelihood of confusion remains undisturbed and I find there is a likelihood of confusion in respect of all of the services subject to these proceedings and the opposition under Section 5(2) (b) succeeds.

85) In light of these findings, ABAE cannot improve upon its case and it is therefore not necessary to go on to consider the grounds of opposition based upon Section 5(3) and Section 5(4)(a) of the Act. However, I will comment very briefly with regard to both.

Section 5(3)

86) My view is that ABAE’s case under Section 5(3) of the Act will fail because it does not have the requisite reputation. The guidance from the CJEU in *General Motors Corp v Yplon SA (CHEVY)* [1999] ETMR 122 and [2000] RPC 572 is that

a 'reputation' for the purposes of Section 5(3) means that the earlier mark is known by a significant part of the public concerned with the products or services covered by that mark. ABAE's evidence illustrates that it operates from only two branches in London with a total of 3000 customers being mainly Greek nationals living in the UK. As such, these customers do not constitute a "significant part of the public concerned". The "public concerned" in this case will be drawn from the adult population at large.

Section 5(4)(a)

87) In respect of the grounds of opposition based upon Section 5(4)(a) of the Act, ABAE has demonstrated that it has goodwill in the UK and in light of my findings in respect of Section 5(2)(b) of the Act, it follows that OAO's application amounts to misrepresentation and that this will lead to ABAE being likely to suffer damage. As such, ABAE is entitled to prevent the use of OAO's mark. Its opposition based upon Section 5(4)(a) of the Act would therefore be successful.

COSTS

88) The opposition having been totally successful, ABAE is entitled to a contribution towards its costs. I take account of the fact that a hearing has taken place and that the late offer by OAO to limit the scope of its specification had no bearing on the outcome of the proceedings. I award costs on the following basis:

Filing notice of Opposition and considering statement of case in reply	£500
Preparing and filing evidence	£800
Considering evidence	£400
Preparing and attending hearing	£700
TOTAL	£2400

89) I order OAO "Alfa-Bank" to pay Alpha Bank A.E. the sum of £2400. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25 day of March 2011

**Mark Bryant
For the Registrar,
the Comptroller-General**