

O/253/12

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2297176

OF

NASRATUL AMEEN

OF THE TRADE MARK:



IN CLASS 35

AND

THE APPLICATION FOR INVALIDATION THEREOF

UNDER NO 82194

BY

TAXASSIST DIRECT LIMITED

1) On 28 May 2012 Professor Ruth Annand, sitting as the appointed person, issued a decision in relation to consolidated proceedings between Mr Ameen and Taxassist Direct Limited (Direct). In that decision she stated:

“43. The invalidation action number 82194 is remitted to the Registry for a different Hearing Officer to decide the ground for invalidation under sections 47(2)(a)/5(2)(b) of the Act.

44. For that purpose, the decision of the Hearing Officer in revocation action 83501 that Registration number 2052091 had been used for the purpose of section 46(1)(b) in the period 13 June 2000 – 12 June 2005 stands, so that the proof of use requirements in section 47(2B) are satisfied.”

2) Consequent upon this, a hearing was held on 22 June 2012. Mr Ameen represented himself. Direct was represented by Mr Bernard Whyatt of Brand Protect.

3) Mr Ameen’s trade mark is registered for *tax, accounting and management consultancy services* in class 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. The application for registration was filed on 5 April 2002. Direct must establish that the grounds under section 5(2)(b) existed at this date, the material date.

4) The trade marks upon which Direct relies are the subject of registration no 2052091:



The registration bears the following clause:

“The second mark in the series is shown on the form of application in the colours blue, white and yellow, but the mark is not limited to colour.”

The trade marks were registered for accountancy services in class 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. In the context of these proceedings it is only necessary to consider the upper trade mark of the series, which is not in colour. (The issue of the colours of Mr Ameen’s trade mark is dealt with in paragraph 38.)

Preliminary issues

Request by Mr Ameen for cross-examination

5) The decision of Mr Geoffrey Hobbs QC, sitting as the appointed person, in BL O/158/08 and Ferris J in *Alliance & Leicester Plc's Trade Mark Application* [2002] RPC 29 relate to rule 55 of the Trade Marks Rules 2000, which states:

“55.—(1) Where under these Rules evidence may be admitted by the registrar in any proceedings before her, it shall be by the filing of a statutory declaration or affidavit.

(2) The registrar may in any particular case take oral evidence in lieu of or in addition to such evidence and shall, unless she otherwise directs, allow any witness to be cross-examined on his statutory declaration, affidavit or oral evidence.”

These rules have been superseded by the Trade Marks Rules 2008; rules 64 and 65 state:

“64.—(1) Subject to rule 62(2) and as follows, evidence filed in any proceedings under the Act or these Rules may be given—

(a) by witness statement, affidavit, statutory declaration; or

(b) in any other form which would be admissible as evidence in proceedings before the court.

(2) A witness statement may only be given in evidence if it includes a statement of truth.

(3) The general rule is that evidence at hearings is to be by witness statement unless the registrar or any enactment requires otherwise.

(4) For the purposes of these Rules, a statement of truth—

(a) means a statement that the person making the statement believes that the facts stated in a particular document are true; and

(b) shall be dated and signed by—

(i) in the case of a witness statement, the maker of the statement,

(ii) in any other case, the party or legal representative of such party.

(5) In these Rules, a witness statement is a written statement signed by a person that contains the evidence which that person would be allowed to give orally.

(6) Under these Rules, evidence shall only be considered filed when—

(a) it has been received by the registrar; and

(b) it has been sent to all other parties to the proceedings.

65. The registrar shall have the powers of an official referee of the Supreme Court as regards—

(a) the attendance of witnesses and their examination on oath; and

(b) the discovery and production of documents,

but the registrar shall have no power to punish summarily for contempt.”

The presumption of a default position in relation to cross-examination, “unless she otherwise directs”, is not present in the current rules. (As per rule 83(3) of the Trade Marks Rules 2008, these rules apply to the issues raised by Mr Ameen in these proceedings:

“(3) Except as provided by paragraph (4) where a new step is to be taken on or after 1st October 2008 in relation to any proceedings commenced under the previous rules these Rules shall apply to such proceedings from that date.”)

In *Alliance & Leicester Plc's Trade Mark Application* Ferris J stated:

“37 Lord Evershed's ensuing words indicate that he envisaged the qualification “within reason” as enabling the court to avoid doing something which would be “gravely oppressive”. One can also envisage

cases in which it might be said that there is nothing to test, because the evidence in question manifestly gets nowhere.”

Mr Ameen sought cross-examination, in his letter of 13 June 2012, of two witnesses on the following basis:

“6) The evidence submitted by the applicant in support Invalidation No. 82194 consists of two witness statements. These two statements contain the references of “likelihood of confusion” without any corroboration. One of the witnesses is a former trade mark attorney of the proprietor of TM 2052091 and he filed the Invalidation 82194. The other witness is a director of Taxassist Direct Limited, owner of TM 2052091, he was responsible for instructing the above trade mark attorney to commence this Invalidation action. They will be asked to corroborate their respective statements on the matter of confusion between these two trade marks.”

6) Likelihood of confusion is a matter for the decision maker. The views of participants to the proceedings as to likelihood of confusion have no effect upon the decision maker. Cross-examination of the witnesses in relation to this matter will manifestly get nowhere and have no effect. Millett LJ in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 stated:

“The evidence of confusion or no confusion consisted of (i) evidence of witnesses purporting to testify to actual confusion; (ii) evidence of witnesses who had responded to a survey carried out on behalf of the plaintiff; and (iii) evidence of trade witnesses who gave their opinion of the likelihood of confusion. I agree with the judge that the last category of evidence was almost entirely admissible on the present issue. The function of an expert witness is to instruct the judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge may otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinions whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity.”

The views of expert witnesses in relation to likelihood of confusion are not pertinent, even less so the views of the participants in proceedings.

7) The request for cross-examination was refused.

Striking-out

8) Mr Ameen also sought the striking-out of the application. In his letter of 14 June 2012, following his receipt of a rejection to his request for cross-examination on the same basis as given above, Mr Ameen wrote:

“Since you are of the opinion that the comments of witnesses in their respective statements are not pertinent for deciding the likelihood of confusion there is not other evidence in the witness statements as regard to the likelihood of confusion, then the statement of case is unsupported by evidence and is quite redundant. As I see, there is no other option but to strike out the case. I make a formal request to have the case struck out.”

9) Grounds brought under section 5(2)(b) do not require evidence; although evidence may be furnished if there is a requirement for proof of use or a party wishes to establish enhanced distinctiveness. In a letter dated 15 June 2012, Mr Ameen wrote:

“There was an interlocutory hearing on 19th August 2010 regarding my application to strike out the evidence of the applicant. Mrs Pike, the hearing officer wrote to me on 13th September 2010 and stated in page 2 (paragraph 2), “*I also allowed your application, which was submitted in evidential form to be admitted into the proceedings as evidence.....*”. I wish to know how this matter will be dealt with at the hearing.”

In the letter referred to, the hearing officer wrote:

“which meant not only did I dismiss the application to strike out the applicant’s evidence but I also allowed your application, which was submitted in evidential form, to be admitted to the proceedings as evidence.”

It cannot be seen how this has any bearing upon the prosecution of this case. The application for invalidation was validly made. It is based on an earlier trade mark in relation to section 5(2)(b) of the Act. **There is no basis for the striking-out of the application and the request was refused.**

Appeal on interim decisions

10) Rule 70 of the Trade Marks Rules 2008 states:

“70.—(1) Except as otherwise expressly provided by these Rules an appeal lies from any decision of the registrar made under these Rules relating to a dispute between two or more parties in connection with a trade mark, including a decision which terminates the proceedings as

regards one of the parties or a decision awarding costs to any party (“a final decision”) or a decision which is made at any point in the proceedings prior to a final decision (“an interim decision”).

(2) An interim decision (including a decision refusing leave to appeal under this paragraph) may only be appealed against independently of any appeal against a final decision with the leave of the registrar.”

Neither of these matters terminates the proceedings and neither of them awards costs. Consequently, appeal independently in relation to these issues must be granted by the registrar. **At the hearing, leave to appeal these decisions independently, prior to the issue of the final decision; this final decision gives the opportunity to appeal against these interim decisions.**

Likelihood of confusion

11) Section 5(2)(b) of the Act states:

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

(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.”

12) The Act implements, inter alia, Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive) (as it is now). Consequently, interpretation of the Act is made on the basis of judgments of the Court of Justice of the European Union (CJEU) and the General Court (GC), both with their seats in Luxembourg, as well as those of the courts of England and Wales. All of the judgments of the GC (previously the Court of First Instance) and the CJEU can be found at the url:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>

Decisions of the appointed persons, who are one of the two fora for appeal from decisions of the registrar, can be found on the website of the Intellectual Property Office at the url:

<http://www.ipo.gov.uk/types/tm/t-os/t-find/t-challenge-decision-results.htm>

Decisions of the appointed persons can be identified by the prefix BL.

Evidence

13) The appeal dealt with consolidated proceedings in which, of course, the evidence in relation to each of the separate proceedings was taken into account. Although this decision only deals with one set of proceedings it would not be appropriate to shut out any relevant evidence which was part of the consolidated proceedings. Consequently, all of the evidence of the consolidated proceedings has been taken into account.

14) Mr Whyatt submitted that owing to use of TAXASSIST DIRECT, the trade mark of Direct had acquired greater distinctive character. Mr Whyatt considered that *Société des produits Nestlé SA v Mars UK Ltd* Case C-353/03 supported his proposition. In that judgment the CJEU stated:

“32 In the final analysis, the reply to the question raised must be that the distinctive character of a mark referred to in Article 3(3) of the directive may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark.”

Consequently, the position is the reverse to that which Mr Whyatt advocated. There is, also, no logical corollary that use of one trade mark would give distinctive character to another trade mark where it is but one of several components in a complex trade mark. (There may be circumstances where the other element(s) are so minimal or descriptive that a party could rely upon such use eg if the trade mark in this case was TAXASSIST DIRECT ACCOUNTANCY SERVICES.)

15) Mr Whyatt also argued that the use of TAXASSIST DIRECT in proximity with the trade mark upon which Direct relies has led to that element of the trade mark becoming the dominant and distinctive component of the trade mark. This is a proposition that has not been decided upon by the courts. It is the case that reputation of a trade mark cannot be taken into account in the comparison of trade marks. The GC held this in *Ravensburger AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-243/08:

“27 It is appropriate at the outset to reject that complaint as unfounded. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51).”

A finding that can also be found in *Accenture Global Services GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-

244/09, *Lan Airlines, SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-194/09* and *Ferrero SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-140/08*. This position relates to the trade mark to trade mark comparison and the reputation or distinctiveness of the trade mark as a whole. Similarity of trade marks takes into account the perception of the average consumer of the goods and services. The case law requires that the dominant and distinctive components are identified in the assessment of similarity. Consequently, it is possible that a single element of a composite trade mark could become the dominant and distinctive component through the use of that element on its own in material that also includes the composite trade mark and if this were the case this would have to be taken into account in deciding what is the dominant and distinctive component(s). This would be a matter of evidence.

16) The business of Direct is effected by franchisees. The figures in relation to turnover, users and advertising up to 5 April 2002 are as follows:

Year	Turnover of Direct £	Turnover of franchisees £	Number of franchisees	Advertising
5 April 1998	216,092	209,364	27	81,000
5 April 1999	665,421	616,850	45	161,000
5 April 2000	346,095	955,267	89	95,393
5 April 2001	642,418	1,625,753	105	64,367
5 April 2002	931,704	2,414,538	131	198,092

Karl Sandall, a director of Direct, states, in his witness statement of 7 April 2006, that, inter alia, advertising was in franchise sections of newspapers, Direct's website, franchise websites, exhibitions and specialist franchise publications. **Consequently, this advertising is not advertising the services supplied under the trade mark to potential clients of the franchisees but franchise services to potential franchisees. So this type of advertising does not educate the relevant public in relation to accountancy services provided under the trade mark upon which Direct relies.** Most of the evidence in relation to publications emanates from internal publications for franchisees and so does not bring the trade mark before potential accountancy customers. There is some limited evidence in relation to external publications; eg at page 52 of exhibit 9 there is copy of a page from "[a] Manchester publication" from 2001 for a business in Bramhall where the trade mark is shown. (There is no indication of a physical address; contact is by telephone or e-mail.)

17) The evidence shows that franchisees may well be working from home or other premises with no signage: exhibit KS6 has the following quotations from a newsletter:

“Some have decided, counter to their original plans, that they would prefer to remain a one-man band and have no desire to take on staff or sub-contractors or move into commercial premises to expand their businesses”.

“We have always made it clear that we are looking for ambitious franchisees who went to build up a business and not remain a one-man band or working part-time.”

“Jonathan is looking for office premises.”

“The building is in the process of refurbishment and lacks signage but John is speaking to the owners as although the building is easy to find, the office is rather more of a challenge.”

Consequently, the number of franchisees is not indicative of the presence of signage in the high street or even the presence in the high street. There are examples of signage being put before the public, eg: *TAD Feedback* for summer 2001 shows signage on premises at Market Drayton; page 73 et seq of exhibit 13, newsletter for July 1999, shows use of the trade mark at the Angus Show, signage bearing the trade mark on an office in Cumbria and picture of car of franchisees from Kent showing the trade mark. There are no examples of stationery bearing the trade mark. No manual in relation to branding by franchisees is exhibited; so it is not possible to ascertain the requirements that were placed upon franchisees in relation to use of trade marks.

18) Mr Sandall regularly refers to the trade mark TAXASSIST DIRECT rather than the trade mark upon which Direct relies in these proceedings. Included in exhibit KS1 is a page from Direct's website from 18 January 2000 which advertises the services of the franchises: “We have over 80 offices in the UK and many more planned”. This page is aimed at purchasers of accounting services. However, there are no figures supplied in relation to accessing of the website eg unique visitor numbers, period spent on the website, enquiries made at the website, numbers of click throughs where details were uploaded by the enquirer.

19) The evidence shows that the business was referred to by Direct itself as TAD at times. *TAD Feedback* for summer 2001 has references, inter alia, to: “each area of TAD”, “TAD Corporate Merchandise”, “TAD Independent Financial Services”. In the newsletter for September 1998 there is an article about a car bearing the trade mark which is described as the Tadmobil and as being in TAD yellow. *TAD News* for summer 1999 refers to the undertaking as TAD on a number of occasions. In *TAD Feedback* for November 2000 there are references to TAD eg: “TAD umbrella”, “TAD launch programme”, “TAD via the Daily Express”, “has run a TAD franchise in Poole”, “TAD is going places fast”. Another newsletter, at page 93 et seq of exhibit 13, refers to “new TAD accountancy practices”, “Point you towards TAD Financial Services” and “TAD

Accountant runs". Consequently, there is an identification of the business with TAD at times.

20) In *TAD Feedback* for summer 2001 there is a table of new clients acquired from November 2000 to April 2001; 1054 are recorded. This only relates to new clients; however, taking into account the number of persons who need accountants it does not appear a great number. The sources of the new business are given. These show that, inter alia, 164 came from local press advertisements, 35 from Yellow Pages and 30 from Thompson. The internal publications of Direct give information about the locations of various franchises.

21) The evidence of use of the trade mark upon which Direct relies is limited. Examples of stationery are supplied but these bear a later trade mark, in which TAD does not appear and Tax Assist Direct appears more prominently. Mr Whyatt wished to pray in aid the use of this later, different trade mark in relation to increasing the distinctive character of the earlier, different trade mark. It is not considered that such an argument has any support in law or logic. Mr Whyatt tried to make good the deficiencies in this evidence by relying upon the use of TAXASSIST DIRECT.

22) Owing to the limited amount of evidence showing use of the trade mark upon which Direct relies, the submission that use of TAXASSIST DIRECT has led to it becoming the dominant and distinctive component of the trade mark fails at the first hurdle; there is a paucity of evidence showing the joint use of the trade mark with TAX ASSIST, there is a paucity of evidence showing external use of the trade mark at all. (There is also the matter of the identification of the business at times as TAD.) If Direct were to rely upon the use of TAXASSIST DIRECT to establish that it had become the distinctive and dominant component of its trade mark, it would also need to furnish evidence of the perception of the relevant public in relation to this matter eg survey evidence.

23) The evidence also fails in establishing that Direct's trade mark had gained increased distinctive character owing to its use. There is no indication of market share; there is not even evidence as to the number of clients. There is no clear evidence as to the extent of promotion to potential customers, as opposed to potential franchisees. There is no indication as to the intensity of any promotional activities ie if advertisements appear in local newspapers, how many times a year they appear, in how many newspapers they appear and the size of the advertisements. There is no evidence as to how many franchisees work from premises where the trade mark upon which Direct relies is displayed.

24) The evidence does not establish that the trade mark of Direct had at the date of the filing of Mr Ameen's application acquired increased distinctiveness through use nor does it establish, at this date, that, through use, the TAXASSIST DIRECT element had become the dominant and distinctive component of the trade mark.

Average consumer, nature of purchasing decision and standard for likelihood of confusion

25) The average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”. Accountancy services are important for businesses. The users of such services must be satisfied that all legal requirements are satisfied in relation to their accounts and in relation to the payment of taxes. They will also wish to be certain that they benefit from all possible tax concessions. The purchasers of such services will normally be businesses and the self-employed. It is considered that they will take a reasonable amount of care in the purchasing of the services, so decreasing the effects of imperfect recollection.

26) Management consultancy services will be purchased by businesses. Such services are likely to involve persons being present in the businesses and will involve recommendations as to changes in the businesses. These services will be purchased as the result of a careful and educated decision.

27) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

There may be some oral recommendation of both types of services. However, customers are most likely to interrogate the Internet or look in trade directories. The suppliers of such services are most likely to promote them through visual advertisements; they are not services that are likely to be promoted by cold calling. Visual similarity will be of more importance than aural similarity.

Comparison of services

28) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of

tradeⁱⁱ". Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaningⁱⁱⁱ. Consideration should be given as to how the average consumer would view the goods and services^{iv}. The class of the goods and services in which they are placed may be relevant in determining the nature of the goods and services^v. In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{vi}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{vii}. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

"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."

29) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 325/06* the GC explained when goods are complementary:

"82 It is true that goods are complementary if 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 those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48)."

30) 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^{viii}.

31) Both trade marks include *accountancy services*; these services are, therefore, identical. *Accountancy services* will encompass some *tax services*; as there is an overlap in the services they must be considered to be identical.

32) Mr Whyatt submitted that the presence of the conjunction *and* in the specification of Mr Ameen's trade mark was of significance; that it somehow linked all of the services together. *Management consultancy* is clearly a separate set of services within the specification and the use of this particular conjunction does not alter this.

33) *Accountancy services* and *management consultancy services* are not fungible (substitutable); they are not in competition. The respective services are not indispensable or important to one another; they are not complementary. Mr Whyatt submitted that the respective services are similar as they both help to improve businesses. This is at the best a most tenuous and vague link, the same could be said of transport or computer services. One set of services relates to accounting and the other to analysing how a business works and making suggestions in relation to the functioning of the businesses; their purposes are different. Mr Whyatt submitted that some large accountancy practices also supply management consultancy services; there is no evidence to this point. This argument is also more telling, if correct, in relation to diversification in trade of large undertakings rather than of any natural link. If one was seeking *accountancy services* one would look in a different part of a directory to where *management consultancy services* would be found. There is nothing to suggest that the respective services have the same channels of trade. (Mr Ameen's registration includes both types of services but this does not mean that this is a norm in trade.)

34) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97 the CJEU stated:

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

The court required evidence of similarity to be adduced. This finding has been reiterated by the CJEU and the GC; eg in *Commercy AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-316/07:

“43 Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni (TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

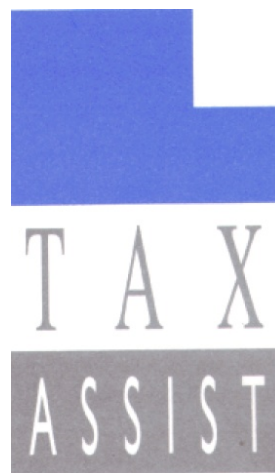
The above part of the *Canon* judgment has been more recognised in the breach than in the observance in this jurisdiction. It may not always be practical to adduce evidence of similarity; it may be that the nature of the goods and/or services is so well-known that it would be a waste of effort and resources to do

so. In this case there is nothing to suggest that within the parameters of the case law that *accountancy services* and *management consultancy services* are similar. Direct has not adduced any evidence to establish similarity.

35) Taking into account the *Avnet* principle and considering the respective specifications within the parameters of the case law, *accountancy services* and *management consultancy services* are not similar.

Comparison of trade marks

36) The trade marks to be compared are:



37) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{ix}. 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^x. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{xi}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{xii}.

38) In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch)^{xiii} Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the

registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

As the trade mark of Direct is not in colour, the colour in the trade mark of Mr Ameen must be drained from it. Consequently, the colour of Mr Ameen’s trade mark has no effect on the consideration of similarity (or the likelihood of confusion).

39) In Direct’s trade mark TAD is at the centre in large and bold type and immediately strikes the eye. There is also a device of what appears to be a stylised £ sign. The words at the bottom of the trade mark are highly allusive of accountancy services that supply tax assistance directly. This limits the distinctiveness of TAD as this will be seen as an acronym for the words at the bottom of the trade mark (see the judgment of CJEU in *Alfred Strigl v Deutsches Patent- und Markenamt and Securita Gesellschaft zur Entwicklung alternativer Versicherungskonzepte mbH v Öko-Invest Verlagsgesellschaft mbH* Joined Cases C-90/11 and C-91/11^{xiv}). The TAD of the trade mark is likely to be the primary hook for the memory, regardless of its link to the words at the bottom of the trade mark. The dominant component of Direct’s trade mark is TAD; this component and the stylised £ device are the most distinctive components of the trade mark.

40) The words of Mr Ameen’s trade mark immediately strike the eye. The other elements are likely to be perceived as background material. The words of Mr Ameen’s trade mark are the dominant component. These words are highly allusive to tax and accounting services and so have very limited distinctive character. (In relation to management consultancy, they are not allusive.)

41) The point of coincidence in the respective trade marks is the words TAX ASSIST. This is the dominant component of the trade mark of Mr Ameen’s trade mark, it is the overwhelming component. These words are certainly not the

dominant component of the trade mark of Direct. However, owing to their prominence in the trade mark of Mr Ameen, there is a limited degree of visual and phonetic similarity and a high degree of conceptual similarity; both trade mark relating to assistance in tax matters.

Conclusion

42) For there to be a likelihood of confusion the services must be similar. As *management consultancy services* are not similar to *accountancy services* there cannot be a likelihood of confusion in relation to the services.

43) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xv}. In this case the *tax* and *accounting services* of Mr Ameen's registration are identical to the services of Direct's registration. (It is not an automatic sequitur that because services are identical that the trade marks have to be very different to avoid a finding of likelihood of confusion^{xvi}.)

44) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xvii}. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xviii}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the services for which it has been registered as coming from a particular undertaking, and thus to distinguish those services from those of other undertakings^{xix}. Owing to the highly allusive nature of the words TAXASSIST DIRECT and their conceptual relationship to TAD; the earlier trade mark does not enjoy a great deal of inherent distinctiveness. However, taking into account the combination of the separate elements, the trade mark still has a reasonable degree of distinctiveness. The point of coincidence between the respective trade marks is a highly allusive component. In considering the effects of this, the judgment of the CJEU in *L'Oréal SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-235/05 P* is borne in mind:

“43 It must therefore be held that the applicant has misconstrued the concepts which govern the determination of whether a likelihood of confusion between two marks exists, by failing to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a complex mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.

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

The above judgment concerned the distinctiveness of a trade mark as a whole but a similar consideration may apply where a common element has very limited distinctive character and, as in this case, that element is the overwhelmingly dominant component of a later trade mark.

45) Mr Ameen made submissions in relation to the different ways that the parties have marketed their services. The current, or past, marketing undertaken by the parties is not relevant to the issues to be determined, as the GC stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-414/05:

"71 The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant's goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to visual, phonetic or conceptual aspects of the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions of the trade mark proprietors – whether carried out or not – which are naturally subjective (see, to that effect, *NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, cited at paragraph 61 above, paragraph 49, and Case T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59)."

The same reasoning can be seen in *Phildar SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-99/06*, *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06*, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03*, *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04* and *Daimlerchrysler AG v Office for Harmonization In the Internal Market (Trade Marks and Designs) Case T-358/00*.

46) The absence of evidence of confusion in the market place is not telling. There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch)^{xx}, *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41^{xxi} Laddie J stated:

“22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct

competition between the proprietor and the alleged infringer could take place.”

Mr Ameen’s submitted that he markets his services very differently from Direct; the very type of consideration that was taken into account when the courts decided that absence of evidence of confusion is seldom significant.

47) In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P CJEU considered the approach to be taken in relation to composite trade marks:

“61 In particular, the Court has held that in the context of examination of the likelihood of confusion, 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. On the contrary, the comparison must be made by examining each of the marks in question as a whole (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited).”

In *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 the CJEU stated:

“30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite

sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

48) In *Sabel BV v Puma AG* Case C-251/95 the CGEU stated:

“16. According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17. It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion, but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.”

In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* the CJEU stated:

“29. Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *SABEL*, paragraphs 16 to 18). Consequently, as the Advocate General states at point 30 of his Opinion, in order to demonstrate that there is no likelihood of confusion, it is not sufficient to show simply that there is no likelihood of the public being confused as to the place of production of the goods or services.”

The differences between the two trade marks are such that there is not likely to be direct confusion. However, owing to the dominance of the words in the trade mark of Mr Ameen, despite their highly allusive character, the relevant public are likely to believe that the respective services emanate from the same or an economically linked undertaking.

49) (Even if it were considered that there was a low degree of similarity between *management consultancy services* and *accountancy services*; the distance

between the services and the differences in the trade marks means that the relevant public would not be likely to believe that the respective services emanate from the same or an economically linked undertaking.)

50) In relation to tax and accounting services, Direct has been successful. The registration was made in contravention of section 5(2)(b) of the Act and, in accordance with section 47(6) of the Act, the registration is deemed never to have been made in respect of tax and accounting services. The registration shall remain for management consultancy services.

Costs

51) In his skeleton argument Mr Whyatt raised various issues in relation to costs. However, he did not pursue them at the hearing. He did not request any costs outwith the scale or in relation to other proceedings.

52) In her decision, Professor Annand stated:

“The costs of this appeal are to be determined by the Hearing Officer along with the costs of the invalidity action number 82194.”

53) In the original decision, BL O/271/11, the hearing officer decided that the parties should bear their own costs as they had each achieved a measure of success. Taking into account the totality of the consolidated proceedings and the result of this decision, the parties should still bear their own costs in relation to this invalidation. However, the parties incurred (or may have) incurred costs in relation to the appeal hearing and the consequent hearing before the registrar.

54) The success at the appeal hearing, which gave rise to the hearing for this invalidation application, was the result of an error by the hearing officer in relation to the calculation of dates. Consequently, the parties may wish to seek compensation for the costs of the appeal hearing and the hearing of the remitted case by way of an ex gratia payment from the Intellectual Property Office.

Dated this 27th day of June 2012

**David Landau
For the Registrar
the Comptroller-General**

ⁱ *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* Case C-342/97.

ⁱⁱ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

ⁱⁱⁱ *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{iv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“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 section 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”

The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2002/1828.html>

^v *Altecnic Ltd's Trade Mark Application* [2002] RPC 34. The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2001/1928.html>

^{vi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{vii} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

“(a) The respective uses of the respective goods or services;
(b) The respective users of the respective goods or services;
(c) The physical nature of the goods or acts of service;
(d) The respective trade channels through which the goods or services reach the market;
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

^{viii} See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 29:

“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.”

^{ix} *Sabel BV v Puma AG* Case C-251/95.

^x *Sabel BV v Puma AG* Case C-251/95.

^{xi} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{xii} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xiii} The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2010/2035.html>

^{xiv} “40 The answer to the questions referred is therefore that Article 3(1)(b) and (c) of the directive must be interpreted as meaning that it is applicable to a word mark which consists of the juxtaposition of a descriptive word combination and a letter sequence which is non-descriptive in itself, if the relevant public perceives that sequence as being an abbreviation of that word combination by reason of the fact that it reproduces the first letter of each word of that combination, and that the mark in question, considered as a whole, can thus be understood as a combination of descriptive indications or abbreviations which is therefore devoid of distinctive character.”

^{xv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xvi} See *Meda Pharma GmbH & Co KG c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Affaires jointes T-492/09 et T-147/10:

« 50 La requérante soutient que, en cas d'identité de produits, il est nécessaire, pour exclure tout risque de confusion, que les signes présentent une plus grande différence que dans une situation où l'écart entre les produits est important. Or, dans les circonstances de l'espèce où l'identité des produits n'est pas contestée, la chambre de recours aurait dû conclure au risque de confusion, à l'instar de ce qui a été considéré dans la décision R 734/2008-1 de la première chambre de recours de l'OHMI, du 14 septembre 2009 (Alleris et Allernil). Selon la requérante, plusieurs décisions de l'OHMI démontrent que les décisions attaquées s'écartent de la pratique décisionnelle de l'OHMI, ce qui viole les principes d'égalité et de non-discrimination.

51 Il ressort de la jurisprudence que l'OHMI est tenu d'exercer ses compétences en conformité avec les principes généraux du droit de l'Union. Si, eu égard aux principes d'égalité de traitement et de bonne administration, l'OHMI doit prendre en considération les décisions déjà prises sur des demandes similaires et s'interroger avec une attention particulière sur le point de savoir s'il y a lieu ou non de décider dans le même sens, l'application de ces principes doit toutefois être conciliée avec le respect du principe de légalité. Au demeurant, pour des raisons de sécurité juridique et, précisément, de bonne administration, l'examen de toute demande d'enregistrement doit être strict et complet afin d'éviter que des marques ne soient enregistrées de manière induue. C'est ainsi qu'un tel examen doit avoir lieu dans chaque cas concret. En effet, l'enregistrement d'un signe en tant que marque dépend de critères spécifiques, applicables dans le cadre des circonstances factuelles du cas d'espèce, destinés à vérifier si le signe en cause ne relève pas d'un motif de refus [voir, en ce sens, arrêt de la Cour du 10 mars 2011, *Agencja Wydawnicza Technopol/OHMI*, C-51/10 P, non encore publié au Recueil, points 73 à 77, et la jurisprudence citée, et arrêt du Tribunal du 22 novembre 2011, *LG Electronics/OHMI (DIRECT DRIVE)*, T-561/10, non publié au Recueil, point 31).

52 Or il apparaît que, dans la présente affaire, la chambre de recours a correctement pris en compte les circonstances de l'espèce. À cet égard, elle a, à juste titre, constaté l'identité des produits concernés en l'espèce, elle a aussi retenu une similitude très faible des signes en cause sur les plans phonétique et visuel et une impossibilité de comparaison de ces mêmes signes sur le plan conceptuel, comme il ressort des points 40, 41 et 46 ci-dessus. Dès lors, comme le soutient à juste titre l'OHMI, l'identité entre les produits désignés est compensée par un très faible degré de similitude entre les signes en cause et la chambre de recours a pu conclure à bon droit à l'absence de tout risque de confusion, d'autant que le degré d'attention du public est accru et qu'il n'est pas démontré que la marque antérieure présente un caractère distinctif élevé. »

^{xvii} *Sabel BV v Puma AG Case C-251/95.*

^{xviii} *Rewe Zentral AG v OHIM (LITE) Case T-79/00.*

^{xix} *Windsurfing Chiemsee v Huber and Attenberger Joined Cases C-108/97 and C-109/97.*

^{xx} The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2008/881.html>

^{xxi} The full judgment can be found at the url:

<http://www.bailii.org/ew/cases/EWHC/Ch/2004/520.html>