

O-169-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2621328  
BY ARTBANK.COM LIMITED  
TO REGISTER THE TRADE MARK  
ARTBANK  
IN CLASSES 35, 38 & 42  
AND**

**IN THE MATTER OF OPPOSITION  
THERE TO UNDER No. 104243 BY  
ARTBANC INTERNATIONAL LIMITED INC.**

## BACKGROUND

1) On 17 May 2012 Artbank.com Limited (hereinafter the applicant) applied to register the trade mark ARTBANK in respect of the following services:

In Class 35: Advertising services; providing a searchable online market guide featuring the goods and services of online vendors; operation of a customer loyalty scheme, promotional and advertising services for customer club members; promotional and retail services connected with the sale of works of art.

In Class 38: Providing an online interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network.

In Class 42: The hosting of online marketplaces for sellers and buyers of goods and services; operating and management of online websites.

2) The application was examined and accepted, and subsequently published for opposition purposes on 19 October 2012 in Trade Marks Journal No.6962.

3) On 18 December 2012 ArtBanc International Ltd Inc. (hereinafter the opponent) filed a notice of opposition. The grounds of the opposition are in summary:

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

Mark	Number	Date of application / registration	Class	Specification relied upon
ARTBANC	CTM 4326898	08.03.05 31.01.06	36	Financial investment services in the field of fine art; financing relating to fine art.

b) The opponent contends that the applicant was aware of the opponent's activities. The opponent states that the parties exchanged correspondence in 2011 and a revocation action against the mark ARTBANK standing in the name of the applicant was launched by the opponent in 2012. The opponent contends that faced with losing its mark via revocation action through non-use grounds the applicant chose to re-establish those rights with the instant application. The opponent contends that the application offends against Section 3(6) of the Act.

c) The opponent contends that the mark in suit is confusingly similar to its registered trade mark and that the services are similar. The mark in suit therefore offends against Section 5(2)(b) of the Act.

4) On 26 February 2013 the applicant filed a counterstatement denying all the grounds. It put the opponent to strict proof of use of its mark. The applicant also contended that confusion will not occur as the services are so different.

5) Both sides filed evidence and both parties seek an award of costs in their favour. The matter came to be heard on 24 March 2014 when the applicant was represented by Mr Baran of Counsel instructed by Messrs Forrester; the opponent was represented by Ms Harland of Messrs Reddie & Grose.

## **OPPONENT'S EVIDENCE**

6) The opponent filed two witness statements. The first, dated 1 May 2013, is by Linda Jane Harland the opponent's Trade Mark Attorney. She provides details of the dispute between the parties in the USA when the applicant in the instant case sought to register the identical mark and was opposed by the opponent in the instant case. The US opposition proceedings began in January 2010. Ms Harland draws from this that the applicant was aware of the opponent prior to filing the instant application. I do not find this of assistance in my decision.

7) The second witness statement, dated 29 April 2013, is by Scott A Barnes the Chief Executive Officer of the opponent company. He states that the company was formed via a merger of two Texas companies in 2010 and has offices in Texas, New York and London. He states:

"4. ArtBanc provides services to dealers, advisors, sellers, collectors and lenders in the field of art. The services include connecting art dealers and advisors with buyers and sellers, arranging and conducting secondary market sales, collecting and disseminating market research information, maintaining a registry of works of fine art, advising on taxation issues arising in the transfer of fine art; providing financing for the purchase of fine art, providing secure commercial transactions and payment delivery, valuation of fine art, insurances services including title insurance and loss and damages coverage, providing fairness opinions on proposed sales of fine art, authentication of works of fine art, vetting title of fine art works for buyers and owners."

8) Mr Barnes states that the company opened an office in London in 2004, under one of its predecessors in business. He states that as part of the services offered the opponent carries out due diligence investigations surrounding the art work to be borrowed against and also the individual seeking to borrow the monies. As such buyers can be vetted prior to seeking purchase, speeding up the process. The opponent has what it calls a trading platform where members can view and make offers on artwork. Details of the platform are said to have been sent to dealers, lawyers, banks and wealth managers in the UK prior to 18 October 2012. Mr Barnes states that his company sent out marketing material promoting its services to financial institutions, private banks and other potential lenders, professional advisors and collectors in the fine art market. Mr Barnes states

that prior to 18 October 2012 30 UK art dealers were signed up to its trading platform with its attendant terms and conditions. The opponent also uses other experts to provide opinions on certain art pieces. Mr Barnes also lists 16 meetings between the opponent and UK based art dealers which took place between Wednesday 18 April 2012 and Friday 27 April 2012 (i.e. 8 working days). He also provides the following exhibits:

- Exhibit A: copies of pages from the opponent's website which shows that the services offered are those mentioned by Mr Barnes in paragraph 7 above, although the pages are not dated. The site mentions insurance services offered by a company in the USA and also mentions the National Financial Partners which its states are the leading provider of estate planning and wealth transfer strategies in the USA.
- Exhibit B: This is a proposed loan from the opponent to a gentleman residing in Monte Carlo. The loan and all fees are quoted in US dollars and the date of the agreement is written in the American fashion. It was due to be signed on behalf of the opponent by Mr Barnes, and dated 6 June 2012; however neither party has signed the document. Mr Barnes states that it was negotiated by the London Office prior to 18 October 2012. The law governing the contract is that of the State of New York.
- Exhibit C: A copy of a page from the opponent's website regarding vetting of artwork and buyers. It has a 2013 copyright date upon it.
- Exhibit D: Copies of pages from the opponent's Trading Platform. To view the artwork contained on the platform one must become a member. This does mention financing but all costs etc are in US\$.
- Exhibit E: A list of art dealers who are said to have received information regarding the Trading Platform prior to 18 October 2012. It is not clear where these dealers are based, as addresses are not provided.
- Exhibit F: A list of lawyers, banks and wealth managers who are said to have received information regarding the Trading Platform prior to 18 October 2012. It is not clear where these dealers are based, as addresses are not provided.
- Exhibit G: Copies of two letters to UK based art dealers providing information on the Trading Platform. These are dated 16 and 29 March 2012. There are also two emails regarding loans against works of art from an art dealer in London dated 26 June 2012 and 12 July 2012.
- Exhibit H: A copy of marketing material promoting the opponent's services distributed in the UK prior to 18 October 2012. It is headed for Financial Institutions, private banks and lenders. This mentions the opponent's core activity

of lending against items of art. The document uses American spelling e.g. jewelry; and also refers to an Insurance company based in America.

- Exhibit I: A copy of marketing material promoting the opponent's services distributed in the UK prior to 18 October 2012. It is headed for Professional Advisors. It mentions all of the services offered by the opponent as spelled out at paragraph 7 above. All figures are in US\$; and it refers to an Insurance company based in America.
- Exhibit J: Marketing material sent to collectors in the UK prior to 18 October 2012. This provides details of the basic services of the opponent. All figures are in US\$.
- Exhibit K: A copy of a valuation dated 16 June 2012 in relation to two pieces of art. The letter was sent to an address in London. It refers to the definition of "Fair Market Value" as defined by the United States Internal Revenue Service and all figures are in US\$. The date is also written in the American form of month, day and year.
- Exhibit L: An invoice for the valuation of the two art works mentioned in exhibit K. The address it is sent to has been redacted and the invoice is for USD 4,000. Although on headed notepaper there is no address given for the opponent.
- Exhibit M: An example of agreements between the opponent and UK art dealers. It is dated 5 March 2012 and relates to the terms and conditions relating to the Trading Platform. All fees are in US\$ and in Schedule A of the terms and conditions the address provided for communications for Mr Scott is in Texas. The London contact is given as a dealer Harvey Mendelson, 1858 Ltd, 64 Knightsbridge, London.
- Exhibit N: An invoice from an art expert to the opponent for providing an opinion on the age of two marble pieces. This is addressed to the London office of the opponent and is dated 11 April 2012. Curiously, the amount quoted is in US\$.
- Exhibit O: A copy of a marketing sheet which is said to have been sent to art dealers and art advisors. It is not dated, although Mr Barnes states it was sent out prior to 18 October 2012. All figures are in US\$.

## **APPLICANT'S EVIDENCE**

9) The applicant filed a witness statement, dated 16 September 2013, by Andrew James Thornton a Director of the applicant company, a position he has held since 9 December 2006. He states that his company, or its predecessors in title, have used the mark ARTBANK since 1994, although he does not specify on what services it was used. He states that the mark was registered (exhibit AJT1) but was not renewed by the then owner Artbank.com in 2011. He states that the opponent's evidence does not show use

of their mark (I have not reproduced his detailed points), and he also claims that the services are dissimilar. He also provides the following exhibits:

- AJT1: This shows details of Trade Mark 1573679 ARTBANK which was registered on 28 April 1995 but not renewed in 2011. It was registered for “Agency services for graphic artists; licensing of reproduction rights; advisory services relating to all the aforesaid services; all included in Class 42”. It also show details of Trade Mark 2388572 ARTBANK which was registered on 3 February 2006 and revoked because of non-use in 2013. It was registered for “Creating and maintaining websites for the sale and resale of items” in Class 42.
- AJT2: Details from the USPTO which states that the opponent’s first use of its mark was April 2007.
- AJT3: Copies of a witness statement and exhibits from the earlier revocation case between the parties which shows that the applicant has been using its mark since at least 2006. This evidence does not assist my decision and so I have not summarised it.

## **OPPONENT’S EVIDENCE IN REPLY**

10) The opponent filed two witness statements. The first, dated 18 November 2013, is by Ms Harland who has provided evidence already in this case. Her evidence goes to the issue that the mark 1573679 ARTBANK, assigned to the applicant in 2006, was used by the previous owner simply in relation to an art gallery and not the services offered by the applicant. She also questions whether the goodwill was assigned even though the assignment document refers to goodwill. I do not believe that this evidence assists with my decision.

11) The second witness statement, dated 18 November 2013, is by Mr Barnes who has provided evidence previously in this case. He states that he was the Managing Director of ArtBanc International Ltd (AIL) from 2002 to 2008. This is one of the two companies that merged to form the opponent company in 2010. He states that during 2004/2005 AIL had two senior staff in the UK responsible for:

- a) identification and contacting potential candidates for the Investment Committee;
- b) promoting ArtBanc’s services to the London dealer community;
- c) developing strategic relationships in both the UK and EU markets;
- d) identification and recruitment of ArtBanc personnel and service providers;
- e) executing ArtBanc’s overall business strategy; and
- f) expanding Artbanc’s operations and presence in the London market.

12) Mr Barnes states that in 2005 AIL solicited 30 of the leading international dealers in fine art, including at least thirteen in the UK, to become early adopters of the services of AIL by joining the ArtBanc Dealer Network. They were sent a covering solicitation letter and a form to complete (exhibit P). The letters were then followed up with a meeting

with the dealer to further describe the services on offer. He states that one of the benefits for dealers was the access to the Trading Platform which had works of art for sale, and also the Cost Savings Program which offered services such as insurance and shipping. He states that AIL were in discussions with insurance companies to provide reduced and preferential insurance: he states they also offered savings on shipping and other service rates. He states:

“12. During 2004/5 I was actively involved in finding various sources of capital needed to expand ArtBanc’s operations, talking to major investment banks and the venture capital community both in the U.S. and in London. In January 2006, Bear Stearns agreed to act as AIL’s investment banker, to assist in our efforts to raise permanent financing. AIL was the only business entity in the fine art market outside Sotheby’s and Christie’s to successfully retain a major investment bank and financial adviser with respect to its permanent fundraising efforts. As part of the initial fund raising efforts, information regarding the ArtBanc business plan was provided to several individuals and investment firms in the UK in 2004/2005.”

13) Mr Barnes provides names and addresses for those who were sent the information at paragraph 12 above and these were Seymours, ABN AMRO and Apax partners. He also provides names of the various experts who were recruited to join the Investment committee. The role of these people was to provide an independent and recognised vetting committee for the valuation and due diligence conducted on artworks before they appeared on the Trading Platform. He also provides details of four people employed during 2005. He also provided the following exhibits:

- Exhibit P: A copy of a blank dealer application form which requires, amongst other things, details of revenue figures for three years. This has the name of the company shown on each page, but no company address.
- Exhibit Q: This is a list of dealers including 9 in the UK who are said to be members of the AIL Dealer Network as of 6 May 2005.
- Exhibit R: draft of a handbook outlining dealer benefits which was sent to members of the dealer network and members of AIL’s Investment Committee for comments and feedback in September 2005. I note that the covering letter and the document are drafts as they have areas occupied by numbers of “x’s” where details are due to be inserted. All figures are in US\$.

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

## **DECISION**

15) I will turn first to the ground of opposition under Section 3(6) which reads:

3.(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

16) In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch), Mr Justice Arnold summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of 27 many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C-529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004 ) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system:



see Melly's Trade Mark Application [2008] RPC 20 at [51] and CHOOSI Trade Mark (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see Cipriani at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see Lindt v Hauswirth at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see AJIT WEEKLY Trade Mark [2006] RPC 25 at [35]-[41], GERSON Trade Mark (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and Campbell v Hughes [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in Lindt v Hauswirth:

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia,

Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM [2004] ECR I-5089 , paragraph 48).”

17) The opponent contends that the applicant was well aware of the opponent’s activities at the date of the filing of the application. It contends that no regard should be given to the prior registrations of the applicant for the same mark as these related to the following “Agency services for graphic artists; licensing of reproduction rights; advisory services relating to all the aforesaid services; all included in Class 42”. The opponent contends:

“There is however one important difference between the Applicant and most other potential applicants; the Applicant had been aware since 2006, when correspondence between the parties began, that the Opponent objected to its proposal to use and maintain registrations of the mark ARTBANK. The Opponent had been steadfast in its objection; after four years of correspondence, the Opponent had commenced proceedings in 2010 in the USPTO to prevent the Applicant obtaining rights in the US and then, two years later had taken steps to remove the remaining registration in the United Kingdom, No 2388572.”

18) And:

“the Applicant knew, or should have known, that the Opponent had rights in the phonetically identical trade mark ARTBANC dating back to 2005 which extended to the United Kingdom

the Applicant had been aware for some six years prior to filing the Application that the Opponent objected to use and registration by the Applicant of the mark ARTBANK and had taken steps in both the United States and the United Kingdom to prevent the Applicant obtaining or maintaining registered rights in the name

the Applicant had to all intents and purposes abandoned its business under the trade mark ARTBANK, having by its own admission made no effective use of the mark as a trade mark in connection with any business operated through its website since mid-2009.”

19) In BL O/094/11 *Ian Adam*, the Appointed Person (Mr Geoffrey Hobbs QC) said at paragraph 33:

“The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose.”

20) I fully accept that the applicant was aware that the opponent had a trade mark registration in the USA and that it had opposed the applicant’s application for a trade mark in the USA. The applicant was also aware of the earlier CTM. However, the

position in the UK is somewhat different. The applicant acquired via an assignment trade marks and the associated goodwill in those marks. Despite the comments of the opponent to the contrary the assignment filed at the Registry clearly includes the goodwill in the trade mark being assigned. However, even if this were not the case the opponent has not, in my opinion made out a case of bad faith. There is the issue of whether or not the opponent has indeed been trading in the UK and also the issue of whether the services sought to be registered by the applicant are indeed similar to those of the opponent. The applicant is perfectly entitled to file an application for services which it has been trading in for a number of years in the UK and which it regards as dissimilar to those of another company, particularly if it feels that that company is not trading in the UK. Simple knowledge of the opponent's mark and the opponent's willingness to litigate is not sufficient to prove bad faith. The opponent also contended that the services listed in the instant application are effectively a restatement of those it had in its trade mark which was revoked for non-use. The opponent contends that the applicant had suspended operation of its website in 2009 and so was not using the mark at the time of the application and was abusing the trade mark system. The applicant contended that its earlier mark was revoked as, in the opinion of the Hearing Officer, it had not shown use of its mark on the services for which it was registered. They have therefore reworded the services sought to be registered to more accurately reflect the reality of their business. To my mind this action does not constitute bad faith. **The opposition under Section 3(6) fails.**

21) I now turn to the other ground of opposition which is under Section 5(2)(b):

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

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

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

22) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

23) The opponent is relying upon its trade mark listed in paragraph 3 above which is clearly an earlier trade mark. The applicant requested that the opponent provide proof of use. Given the interplay between the date that the opponent's mark was registered and the date that the applicant's mark was published, it is entitled to request such proof as per The Trade Marks (Proof of Use, etc) Regulations 2004, paragraph six of which states:

“6A Raising of relative grounds in opposition proceedings in cases 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 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, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

24) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of its mark has been made. In the instant case the publication date of the application was 19 October 2012, therefore the relevant period for the proof of use is 20 October 2007 – 19 October 2012. I bear in mind the leading authorities on the principles to be applied, namely: the judgments of the CJEU in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the CJEU in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(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]; *Sunrider*, [70]; *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]; *Sunrider*, [70]-[71].

(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]; *Sunrider*, [72]”

25) The earlier mark is a CTM, therefore I also take into account the Judgment of the CJEU in Case C-149/11 *Leno Merken BV v. Hagelkruis Beheer BV* [2012] ECR I-0000; [2013] ETMR 16; where the Court stated:

“28. The Court has already - in the judgments in *Ansul* and *Sunrider v. OHIM* and the order in *La Mer Technology* - interpreted the concept of ‘genuine use’ in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29. It follows from that line of authority that there is ‘genuine use’ of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course

of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v. OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).”

26) I also take note of the comments of Mr Daniel Alexander Q.C sitting as the Appointed Person in *PLYMOUTH LIFE CENTRE* BL/O/236/13 [2013] RPC 34 where he commented at paragraphs 17-22:

“17. Just as wide specifications give rise to problems, so does generalized and non-specific evidence seeking to support wide specifications once challenged for non-use. That is particularly so given the approach that tribunals must take to the issue of proof of use in the case of such specifications. Tribunals considering the issue of what use has been proven and what specification is appropriate in the light of such use apply the principles summarized in *NIRVANA* O/262/06. In that case, the Appointed Person (Mr Richard Arnold QC) set them out as follows at [58]-[59]:

“I derive the following propositions from the case law reviewed above:

(1) The tribunal’s first task is to find as a fact what goods or services there has been genuine use of the trade mark in relation to during the relevant period: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [30].

(2) Next the tribunal must arrive at a fair specification having regard to the use made: *Decon v Fred Baker* at [23]; *Thomson v Norwegian* at [31].

(3) In arriving at a fair specification, the tribunal is not constrained by the existing wording of the specification of goods or services, and in particular is not constrained to adopt a blue-pencil approach to that wording: *MINERVA* at 738; *Decon v Fred Baker* at [21]; *Thomson v Norwegian* at [29].

(4) In arriving at a fair specification, the tribunal should strike a balance between the respective interests of the proprietor, other traders and the public having regard to the protection afforded by a registered trade mark: *Decon v Fred Baker* at [24]; *Thomson v Norwegian* at [29]; *ANIMAL* at [20].

(5) In order to decide what is a fair specification, the tribunal should inform itself about the relevant trade and then decide how the average consumer would fairly describe the goods or services in relation to which the trade mark has been used: *Thomson v Norwegian* at [31]; *West v Fuller* at [53].

(6) In deciding what is a fair description, the average consumer must be taken to know the purpose of the description: *ANIMAL* at [20].

(7) What is a fair description will depend on the nature of the goods, the circumstances of the trade and the breadth of use proved: *West v Fullerat* [58]; *ANIMAL* at [20].

(8) The exercise of framing a fair specification is a value judgment: *ANIMAL* at [20].

59. I would add a point which in my judgment is implicit in most of the decisions, although not explicit, which is that it is for the tribunal to frame a fair specification and not the parties.”

18. Arnold J returned to this topic recently in *Stichting BDO & Ors v BDO Unibank, Inc & Ors* [2013] EWHC 418 (Ch) and considered the extent to which the *NIRVANA* approach might be said to differ from that adopted by the CFI. Having set out the *NIRVANA* approach, he said at [56]-[58]:

56. In *EXTREME Trade Mark* [2008] RPC 2, again sitting as the Appointed Person, I considered the decision of the CFI in Case T-256/04 *Mundipharma AG v OHIM* [2007] ECR II-449 and continued as follows:

"54. Although at first blush this suggests an approach which is somewhat different to that laid down by the English authorities considered in *NIRVANA*, I consider that the difference is smaller than might appear. The essence of the domestic approach is to consider how the average consumer would fairly describe the goods in relation to which the trade mark has been used. Likewise, paragraph [29] of *Mundipharma* indicates that the matter is to be approached from the consumer's perspective.

55. To the extent that there is a difference between them, I remain of the view expressed in *NIRVANA* that I am bound by the English authorities interpreting section 46(5) of the 1994 Act and Article 13 of the Directive and not by the CFI's interpretation of Article 46(2) of the CTM Regulation since, as already noted above, there are differences between the two legislative contexts. Nevertheless I consider that English tribunals should endeavour to follow the latter so far as it is open to them to do so. *Mundipharma* suggests that, within the spectrum of domestic case law, the slightly more generous approach of Jacob J. in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch), [2004] FSR 19 is to be preferred to the slightly less generous approach of Pumfrey J. in *DaimlerChrysler AG v Alavi* [2001] RPC 42."

57. In *Daimler AG v Sany Group Co Ltd* [2009] EWHC 1003 (Ch), [2009] ETMR 58 Geoffrey Hobbs QC sitting as a Deputy High Court Judge summarised the correct approach at [10] as follows:



"... the aim should be to arrive at a fair specification by identifying and defining not the particular examples of goods for which there has been genuine use, but the particular categories of goods they should realistically be taken to exemplify. ..."

58. As Mr Hobbs added when sitting as the Appointed Person in *Euro Gida Sanayi Ve Ticaret Ltd v Gima (UK) Ltd* (BL O/345/10) at 11:

"For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned."

19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. Use should be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (to use the words of *Anheuser-Busch* – see above)

20. Providing evidence of use is not unduly difficult. If an undertaking is sitting on a registered trade mark, it is good practice in any event from time to time review the material that it has to prove use of it. Courts and tribunals are not unduly harsh as to the evidence they are prepared to accept as establishing use. In *Almighty Marketing Ltd. v Milk Link Ltd.* [2005] EWHC 2584 (Ch) (18 November 2005) a case primarily concerning the requirements of rule 31 of the Trade Mark Rules which require a proprietor to show prima facie use at the first stage of proceedings, Kitchin J (as he then was) analysed the requirements of evidence of use by reference to the authorities and said:

17. In *Carte Bleue Trade Marks* [2002] RPC 31 Mr. Knight, the principal hearing officer acting for the registrar, observed at paragraph 35:

"Therefore it seems to me that the Act and the Rules indicate that at least initially the registered proprietor in seeking to defend himself against an allegation of non-use need only show use at the outset which indicates clearly to those concerned that a proper defence is, and can be, mounted in relation to the allegation that the trade mark has not been used."

If, in using the expression "proper defence", the hearing officer meant an arguable defence then I respectfully agree with him. After referring to another decision by one of the registrar's hearing officers in *Adrenalin* [O/BL336/99] he continued, at paragraph 37:

"From my point of view I would simply reinforce what has been said in these decisions and in the Manual, that the sort of evidence that one would

normally hope to see is copies of brochures, catalogues, pamphlets, advertisements, etc all of which show use of the trade mark in question together with some indication of the sales of goods, or the provision of services during the relevant periods. Clearly this cannot be an exhaustive list and is merely an example of documents which might be sent in."

I agree with the hearing officer that evidence of this kind is highly desirable. If the proprietor files such evidence it will assist in clarifying the issues at an early stage and may even serve to shorten the proceedings. It is not, however, a requirement of rule 31(3). If the proprietor is able to establish that it has an arguable defence to the application without filing such evidence then, in my judgment, it is not obliged to do so.

21. Having considered the evidence and the observations of the Hearing Officer, Kitchin J continued:

22. In my judgment the hearing officer fell into error...in seeking to apply the decision *Carte Bleue* as if it were laying down a code as to the specific documentary evidence which must be filed in order to satisfy rule 31(3). In particular, and as is apparent from paragraph 25 of the decision, he appears to have been of the view that it was incumbent upon the appellant to provide information such as brochures, catalogues, pamphlets, advertisements or the like together with an indication of the sales of goods achieved under the mark during the relevant period. There is no requirement upon the proprietor to provide such information although it may be desirable for him to do so. The rule only requires that the evidence, considered as a whole, establishes that the proprietor has an arguable defence to the application for revocation.

22. The burden lies on the registered proprietor to prove use. However, that and other cases show that there is no particular way in which use must be established. At the initial stage of revocation proceedings, where all he has to show is an arguable case, the approach may be more relaxed but even when the matter comes to be finally determined there is also no hard and fast way in which use must be proved. Evidence which may be sufficient to establish an arguable case that there has been use for the purpose of rule 31 may be insufficient ultimately to prove that there has been such use on the balance of probabilities. However, it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more, so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is

legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

27) And continued at paragraphs 26 -

“26. A wide claim of use of the kind made by Ms Stanley is not straightforwardly false (since it might be said that the fact that some tuition, training are workshop services, however narrow, would form a basis for it). I am nonetheless of the view that broad conclusory statements of that kind in evidence of use should be avoided, unless they are properly justified.

27. This sort of thing is not unduly difficult to avoid, especially for represented litigants. The Rules of Conduct for Patent Attorneys, Trade Mark Attorneys and other Regulated Persons give guidance in paragraph 14 to the effect that a such persons must not submit orally or in any documents or pleading, inter alia, a) statements of fact or contentions that are not supported by the evidence or instruction of the client; b) contentions that he cannot justify as prima facie arguable. So attorneys engaged in contested proceedings in which use is in issue will, in any event, be regularly turning their minds to the question of the supportability of claims of use as part of their professional obligations.

28. I do not know whether the evidence in this case was prepared with professional assistance and I make no criticism of those involved in this case. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted. Excising the unjustifiable is as much a part of the exercise of dotting the i’s and crossing the t’s of the evidence (referred to in *Laboratoires Goemar*) as is reinforcing the justified.

29. Second, in my view, the overall criticisms made by the Hearing Officer of this evidence were warranted.

30. Ordinarily, given that the use was relatively recent, one would expect general statements about use of the kind made by Ms Stanley to be backed up with detailed evidence of turnover in respect of each of the services in question identifying, with precision, the dates upon which such services were provided and the amount of trade conducted (or, in appropriate cases, the nature of the promotional activity). Or one would, at least, expect a cogent explanation for why

such material was unavailable. In the case of potentially wide categories such as “Chinese medicine” and “nutritional treatments”, one would expect the evidence to descend into considerable detail as to the range of services offered to make it clear that a specification of that kind could be supported. One would expect itemized invoices or other financial records showing the volume of business in the specific areas so that it was possible properly to assess the nature of the use in its context. Although it is true that such material is not strictly necessary in that, in appropriate cases, a case will not automatically fail for the want of it, the failure to provide a cogent documented record where there is no real reason for not doing so is something the court can take into account.”

28) In the instant case the opponent filed a strange array of documents. In the witness statements it was claimed that the London office had been set up in 2004 by one of the predecessors in business and that it had offered, inter alia, investment and financial services, basically setting up loans in order that an individual could purchase a piece of artwork or obtain a loan on artwork already owned. The specification for which its CTM is registered is “Financial investment services in the field of fine art; financing relating to fine art.” One would have expected its evidence in relation to proof of use to have been centred around these services. Curiously, despite claiming to have had an office in London since 2004 it chose not to file a single instance of paperwork relating to someone in the EU actually obtaining a loan to purchase artwork or a loan on artwork already owned. The nearest it got was at exhibit B which was a proposed loan to someone in Monte Carlo. However, this agreement was not completed. I also note the fact that the agreement is governed by US law and all figures are quoted in US\$. A number of the exhibits filed are undated or are dated after the relevant period. This would not have been quite so important if any documentation had been provided showing use in the relevant period on the services for which the mark is registered. I also note that much of the documentation refers to insurance and financial planning companies based in the USA. This seems odd given the pre-eminence of London in insurance issues and also financial planning matters, particularly as the laws regarding such matters vary according to the jurisdiction of the client. I also note that the opponent has not adjusted its documentation to show costs etc in UK£ or indeed Euros. This would seem to be a bare minimum if they are to be taken seriously by potential clients in the UK/EU. Similarly, the spelling has not been altered and so reflects American rather than English spelling. Further, on one of the documents, exhibit M, the contact address provided is in Texas, or via a London agent with offices at the same address at that of the opponent. The opponent claims to have contacted a variety of UK companies such as art dealers, lawyers, bank managers etc, yet the lists contain no addresses. An invoice regarding a valuation said to have been handled by the London office, exhibit L, which whilst on headed notepaper did not have the opponent’s address and was for some reason in US\$ whereas one would have thought that a London office would have invoiced in UK£ or Euros. This valuation was for a client in London as exhibit K shows. However, everything in the letter relates to the USA, even down to a reference to the United States Internal Revenue Service whereas one would have thought that for a client in London an opinion from HRMC would have been more relevant. The only item which is close to showing use of the mark on the registered services is exhibit G. Here,

two emails between the opponent and an art dealer in London, refer to potential loans against works of art and are dated within the relevant period.

29) I note that the applicant, in its evidence, challenged the proof of use evidence initially filed by the opponent pointing out its many weaknesses and stating that in its opinion it was not adequate enough to satisfy the proof of use requirements. It is clear from the relevant authorities quoted earlier in this decision that the onus of proof of use rests with the opponent and that the evidence provided should be such that, on the balance of probabilities, the Hearing Officer can find that use on the relevant goods and/or services has been made. In the instant case I do not believe that the opponent has met this requirement. The opponent surely must have been in a position to provide copies of loan agreements with individuals and/or companies in the UK/EU or evidence of the number of such loans made. These could have been the subject of a confidentiality order or redacted as much of the rest of the opponent's evidence has been. The opponent claims to have been present in the UK since 2004, which means that as at the date of the hearing ten years have elapsed. Whilst not all of this period would be within the relevant proof of use period it is possible to take into account items which pre and post date the period if they form part of a narrative which also includes use within the period. Even if the evidence shows some low level genuine use it would not be sufficient to create or maintain a market in the EU. **I therefore find that the opponent has not shown use of its registered mark in the EU during the relevant period. The opposition under section 5(2)(b) therefore fails.**

30) In case I am wrong in this finding I will go on to consider the question of likelihood of confusion. When considering the issues under Section 5(2) and the 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] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10) Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods/ services in question; 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) 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;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

### **Distinctive character of the opponent's earlier trade marks**

31) The opponent has not provided evidence of use of its mark in the EU/UK sufficient to benefit from an enhanced reputation. The services for which the mark is registered relate to investment and financing of fine art. The mark, ARTBANC, therefore alludes to a "bank" for "art". Despite this I believe that the opponent's mark has a reasonable level of inherent distinctiveness for the services for which it is registered.

## The average consumer and the nature of the purchasing process

32) I must now determine the average consumer for the services of the parties. The opponent's services are not restricted to those of a high net worth, even though at present it will not consider loans of less than US\$1million. It is quite possible, although unlikely, that the service could be used to finance the purchase of something as aesthetic as the Athena "Tennis Girl" poster. Whatever the amount concerned most consumers do not enter into a loan, whether to purchase an item or against something already in their possession, without considerable thought. It will usually involve carrying out research to compare the costs involved including interests rates. Initially selection will be predominantly by eye from advertisements, the internet etc, although word of mouth recommendations may also have a part to play. I would then expect a face to face meeting to occur with considerable documentation such as proof of identity, earnings etc being required. The services applied for by the applicant would appear to be aimed more at businesses, although it is possible that individuals may also purchase them. Again such services would not, in my opinion, be purchased without considerable care. For instance the "hosting of online marketplaces" is not something which is purchased on a whim. It will require the purchaser to provide a detailed specification as to what is required and how the site is to work. Again I would expect the initial selection to be mainly visual but aural considerations cannot be overlooked.

### Comparison of services

33) For ease of reference I reproduce the specifications of both parties:

Applicant's specification	Opponent's specification
Class 35: Advertising services; providing a searchable online market guide featuring the goods and services of online vendors; operation of a customer loyalty scheme, promotional and advertising services for customer club members; promotional and retail services connected with the sale of works of art.	Class 36: Financial investment services in the field of fine art; financing relating to fine art.
Class 38: Providing an online interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network.	
Class 42: The hosting of online marketplaces for sellers and buyers of goods and services; operating and management of online websites.	

34) The accepted test for comparing goods and services is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods;
- b) The respective users of the respective goods;

- c) The physical nature of the goods;
- d) The respective trade channels through which the goods 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 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 in the same or different sectors.

35) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

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

36) I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

37) The question of complementary goods/services has been considered by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Case T- 325/06 the GC stated:

“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).”

38) However, in the cases *Sandra Amalia Mary Elliott v LRC Products Limited* (and cross opposition) [BL O-255-13] in respect of the marks LUV and LOVE respectively Mr Alexander Q.C. acting as the Appointed Person said:

“15 A formulation of the law by the same Hearing Officer in very similar terms was accepted without criticism by either party or by Floyd J (as he then was) *Youview TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) and the Hearing Officer’s statement of the law cannot be faulted.

16 However, because of the particular grounds of appeal in this case, which did not arise in the *Youview* case, it is necessary to make three observations about that summary as it applies to the present case.

17 First, the starting point for the analysis of similarity is the wording of the Act and the Directive. These require the tribunal to determine whether or not the respective goods are “identical or similar” but they do not specify the criteria by reference to which similarity is to be assessed. In the well-established guidance from the Court of Justice on this issue originating in *Canon* , to which the Hearing Officer referred, the Court has not suggested that every case requires assessment of whether the respective goods or services are complementary. To the contrary, the Court has regularly made it clear that all relevant factors relating to the goods or services themselves should be taken into account, of which complementarity is but one (see e.g. in *Boston* ).

18 Second, the concept of complementarity is itself not without difficulty. In a number of cases, reference to it does not make the assessment of similarity easier. If tribunals take the explanation of the concept in *Boston* as akin to a statutory definition, it can lead to unprofitable excursions into matters such as the frequency with which certain goods are used with other goods and whether it is possible for one to be used without the other. That analysis is sometimes of limited value because the purpose of the test, taken as a whole, is to determine similarity of the respective goods in the specific context of trade mark law. It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense — but it does not follow that wine and glassware are similar goods for trade mark purposes.

19 Third, the Hearing Officer said at [32]:

As stated above, the legal definition of ‘complementary’, as per *Boston* , is that the goods must be “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”. It is not sufficient that the goods “can” be used together; nor is it sufficient that they are sold together.

20 In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston .

21 Moreover, it is necessary to view the quotation from Boston in the context of the facts of that case where the dispute over similarity turned in part on whether the goods were used together for a rather specific medical procedure. The Court of First Instance said at [77]-[87]:

#### Similarity between the products

77 According to consistent case-law, in order to assess the similarity of the products or services concerned, all the relevant features of the relationship that might exist between those products or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary ( *Sunrider v OHIM* , paragraph 27 above, paragraph 85; judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM — Gómez Frías (euroMASTER)* , paragraph 31).

78 As regards the assessment of the similarity of the goods at issue, the Board of Appeal found, in paragraphs 22 to 24 of the contested decision, that, owing to their functional differences, apparatus for placing a suture, on the one hand, and hollow fibre oxygenators with detachable hard-shell reservoir, on the other hand, have a different method of use, are not in competition with each other and are not interchangeable. However, the Board found, in essence, that the goods at issue were closely linked to the goods of the intervener in so far as they had a certain complementary character, since they could be used simultaneously in the field of medicine, for example during surgery. They might also be purchased through the same distribution channels and be found in the same points of sale, so that the relevant public could be led to believe that they came from the same undertaking.

79 Those findings must be upheld.

80 In this respect, it must be noted that the goods bearing the earlier trade mark and those covered by the mark applied for both concern the medical field and are therefore intended to be used in the context of a therapeutic treatment.

81. In addition, as the Board of Appeal rightly pointed out, all the goods covered by the mark applied for have a certain complementary relationship with those bearing the earlier trade mark.

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).

83. It is also true that, as OHIM moreover acknowledged, apparatus for placing a suture cannot be considered to be indispensable or important for the use of hollow fibre oxygenators with detachable hard-shell reservoir.

84. However, it is clear that apparatus for placing a suture and hollow fiber oxygenators with detachable hard-shell reservoir can be considered to be complementary where, in surgery which has required an incision and during which an oxygenator has been used, the surgeon uses apparatus for placing a suture. Thus, in the course of a single, very specific procedure, namely a surgical operation, two apparatus, namely an oxygenator and apparatus for placing a suture, might be used, one bearing the trade mark CAPIOX and the other the trade mark CAPIO.

85. It follows that, even though the applicant claims that the goods at issue cannot be considered to be similar simply because they are both used in the field of medicine, which, according to the applicant, is the case of nearly all goods of significance, the goods at issue are similar because they are in fact in a certain complementary relationship and specifically target certain professionals in the medical sector. In addition, in the present case, contrary to what the applicant claims, the goods at issue are not similar solely because they are used in the field of medicine, but because they could be used in the same, very specific surgical operation, namely open-heart surgery.

86. Finally, the products at issue can in fact be found in the same distribution channels, such a criterion being relevant for the purposes of the assessment of the similarity of the goods ( PiraÑAM diseño original Juan Bolaños , paragraph 82 above, paragraph 37; see also, to that effect, SISSI ROSSI , paragraph 82 above, paragraph 65; and PAM PLUVIAL , paragraph 82 above, paragraph 95).

87. Accordingly, given the close link between the products in question as regards their end users, the fact that they are to some extent complementary and the fact that they may be distributed via the same distribution channels, the Board of Appeal was right to find that the applicant's goods and those of the intervener were similar (see, to that effect, *Case T-388/00 Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301 , paragraph 56).

22 The Court of First Instance was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.

39) The opponent contends:

“28. Although the Applicant’s services are stated broadly, they do not exclude services provided in the field of fine art and it is clear from the Witness Statement of Mr Thornton (Tab 32) for the Applicant, and, in particular, from Exhibit AJT3 at Tab 35, that such activities as have been undertaken by the Applicant have been in the field of fine art, that is, the same field of activity as is of concern to the Opponent. Further, neither the ‘items’ nor the ‘goods and services’ mentioned in the Application expressly exclude works of art. Accordingly, the Application should be treated as covering at least:

*Providing an online interactive bulletin board for the posting, promotion, sale and resale of ~~items~~ **works of art** via a global computer network.*

*The hosting of online marketplaces for sellers and buyers of ~~goods and services~~ **works of art**; operating and management of online websites **for the sale or resale of works of art***

Advertising services; providing a searchable online market guide featuring the ~~goods and services~~ **works of art** of online vendors; operation of a customer loyalty scheme, promotional and advertising services for customer club members **in the field of fine arts**; promotional and retail services connected with the sale of works of art.

To the extent that it covers these services, it is clear that the services are in the same general field as those of concern to the Opponent; the Applicant cannot disguise the areas of similarity simply by adopting broad wording rather than a more explicit description of services.

29. At paragraph 90, the Opinion of the Advocate General in C-418/02 PRAKTIKER BAU- UND HEIMWERKERMÄRKTE states that:

*Likewise, in assessing the similarity of the goods or services concerned, all the relevant factors concerning the relationship between those goods or services 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*

In the present case it is submitted that the provision of financing relating to fine art is complementary to the selling of works of art in, for example, an art gallery or through an online website offering works of art for sale, which appears from the evidence to be what the Applicant has in mind.

30. It is common knowledge that those selling high-priced items often offer financing. For example, it is common practice for those purchasing cars to be offered finance to assist in their purchase by the salesman in the car showroom. Similarly, large items of furniture are often offered in the furniture retail outlet with a finance package to encourage the buyer and many jewellers offer assistance where purchasers wish to spread the cost of large purchase over a period of time. This is evident from any high street or retail park in the country. Where a member of the public is considering purchasing a high value item, finance is often available in the retail premises where the item is on sale. Consequently, it is submitted that, because the services in issue complement each other in this way, if the same trade mark were to be used in relation to both a website retailing works of art, on the one hand, and finance to enable purchasers to buy works of art, on the other, there would exist a likelihood of confusion.

31. This might be less the case were finance arrangements for the purchase of works of art a new concept or if they were confined to dealers or other specialist as suggested by the Applicant (see Tab 32, page 3, paragraph 14). However, neither is the case. The 'Own Art' scheme set up by the Arts Council has been in operation for some years, providing small loans to private buyers and offering those loans through art galleries and online sellers who are registered with the scheme. Thus, the concept of finance offered through art galleries is not a new one, nor is it limited to the purchase of major works of art by high-worth individuals or galleries."

40) Having carefully considered all of the authorities quoted above and taking into account the contentions of the opponent I come to the conclusion that no reasonable person could consider the investment and financing services of the opponent to be similar or complimentary to any of the services sought to be registered by the applicant. The opponent has conflated their actual activities with their registered rights. Whilst I accept that the opponent has a website offering artworks for sale this is not a service for which their mark is registered and it cannot be seen as falling within any reasonable reading of financial or investment services.

### **Comparison of trade marks**

41) The applicant accepts that the marks are similar. To my mind they are very similar.

### **Likelihood of confusion**

42) I must now take all the above into account and consider the matter globally taking into account 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. The evidence does not allow me to find the opponent to have a reputation in class 36 services, and whilst the marks are very similar the services of the two parties are dissimilar. As such, even allowing for the concept of imperfect recollection, there is no likelihood of consumers being confused into believing that the services provided by the applicant are those of the opponent or provided by some undertaking linked to them. **The opposition under Section 5(2) (b) therefore fails.**

### **CONCLUSION**

43) **The opponent has failed in its opposition.**

### **COSTS**

44) As the applicant has been successful it is entitled to a contribution towards its costs. I also take into account the costs awarded against the applicant as a result of an interim hearing, and have reduced the following figures accordingly.

Preparing a statement and considering the other side's statement	£300
Preparing evidence	£600
Preparing for and attending a hearing	£1100
<b>TOTAL</b>	<b>£2000</b>

45) I order Artbanc International Limited Inc. to pay Artbank.com Limited the sum of £2000. This sum 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 16th day of April 2014**

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