

O-259-16

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3106727
FOR A SERIES OF FOUR TRADE MARKS**

**RealAcorn
Real Acorn
Real-Acorn
Real_Acorn**

**IN CLASSES 35, 36 AND 37
BY AVODAH PARTNERS LTD**

AND

**THE OPPOSITION THERETO
UNDER NO. 404765
BY ACORN LIMITED**

Background and pleadings

1. Avodah Partners Ltd (“the applicant”) applied for a series of four trade marks on 30 April 2015 for a large range of services in classes 35, 36 and 37. The marks in the series are:

RealAcorn
Real Acorn
Real-Acorn
Real_Acorn

2. The application was published on 5 June 2015 and was subsequently opposed by Acorn Limited (“the opponent”). The opponent bases its opposition, under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (“the Act”), on the following trade mark, registered for a large range of services in classes 35, 36, 37, 42 and 45:

3064043



Filing date: 14 July 2014; completion of registration procedure: 24 October 2014.

3. The claim under section 5(2)(b) is that the parties’ services are identical or similar and that the marks are similar, the combination of which will lead to a likelihood of confusion between the marks. Under section 5(3), the claim is that the relevant public will believe that the marks are economically connected; further that use of the applicant’s mark will take unfair advantage of the opponent’s reputation; that it might be detrimental to that reputation if the services are inferior; and/or that it might erode the distinctive character of the earlier mark.

4. The opponent also opposes the application under section 5(4)(a) of the Act, based upon its use of the sign ACORN in the UK in relation to advertising services; business management; agency services; auctioneering services; financial affairs; insurance services; mortgage services; advisory services relating to property; development of properties; property maintenance, renovation and repair; design services relating to real estate; real estate planning; surveying of real estate; conveyancing. The opponent claims that it first used ACORN on 31 August 1984, primarily in London and Kent. Its divisions include estate agents, property management, financial services, surveying, commercial, and new homes. Use of the applicant’s mark will lead to misrepresentation and damage the opponent’s sign and business, e.g. through loss of custom and detriment to its distinctive character.

5. The opponent is professionally represented by a firm of trade mark attorneys. The applicant is unrepresented and its defence and counterstatement were filed by Mr Colin Hanner, its principal shareholder and senior director. He claims that he has

used Real Acorn in relation to property matters since 2006 without confusion having arisen, which he takes to be because of the following:

1. The applicant operates from a home-based office principally in a "swathe" area from south west London to the Sussex south coast at Hastings, with no "shop front", retail or commercial premises.
2. The opponent appears to operate principally in south east London and Kent areas with a series of "shop front" retail or commercial premises.
3. The sole aspect of business operations of the applicant is block and estate management.
4. The various aspects of business operations of the opponent appear (from the applicant's own advertising) to centre significantly on property sales and lettings with supplementary activities including: property development, surveying, estate management, furniture and removals and others.
5. A public search for "acorn" in south east London and Kent business directories (on-line and print) reveals numerous results of the opponent and none reflecting the applicant.

6. On behalf of the applicant, Mr Hanner denies the grounds. He claims that there are over 1,000 businesses with 'acorn' in their company name, registered in the UK at Companies House, over 100 of which are property related. Further, the opponent's use of its mark omits the word 'acorn'.

7. The opponent filed evidence and both parties filed written submissions during the evidence rounds; the latter will not be summarised but will be referred to as and where appropriate during this decision. Neither party opted to be heard, and only the opponent filed written submissions in lieu of a hearing. I make this decision after carefully considering all of the papers filed.

Opponent's evidence

8. Hector Stavrinidis, the opponent's Finance Director, has filed a witness statement dated 4 December 2015, and exhibits. The main points from the evidence are:

- Acorn started in 1984 as a residential estate agency.
- Acorn operates from 24 locations in south east London and Kent, with 350 employees and eight divisions which make the following contribution to revenue:
 - Residential sales 42%
 - Property management (lettings) 24%
 - Land and Commercial 9%
 - New homes 3%
 - Financial services 5%
 - Estate management (Blocks) 4%
 - Legal and other 3%
 - Surveying 12%¹
- Turnover figures since 2011 have been:

8 months ending 31.12.11	£6,605,794
--------------------------	------------

¹ Although the figures given add up to 102%.

Year ending 31.12.12	£10,884,592
Year ending 31.12.13	£15,819,339
Year ending 31.12.14	£18,058,753
Year ending 31.12.15 ²	£22,000,000

- The lettings division manages over 2,400 properties, collecting rents in excess of £30 million per annum.
- Block management started in 1998; this division manages 2,460 units in 157 blocks in and around south east London and Kent.
- The financial division has arranged over £170 million of mortgages.
- Marketing costs are in excess of £1.2 million per annum, of which £700,000 per annum is spent on printed media. Website views are in excess of 400,000 per month. Exhibit HS2 comprises examples of marketing and promotional literature including prints of online use, press advertising, and photographs of the opponent's shop fronts, signage and merchandise. None of the exhibits are dated. An advertorial appears on the property page of an unidentified and undated publication. The opponent was identified in the London Stock Exchange's 1000 Companies to Inspire Britain in 2015. To gain entry to the list, companies need to show consistent revenue growth over a minimum of three years. It says that the opponent is the leading residential estate agency in south east London and Kent and that the opponent also operates Start Financial Services and MAP Surveyors. Mr Stavrinidis states that the opponent was included in the list in March 2015. This information also appears in a website print in Exhibit HS3.
- Exhibit HS3 comprises prints from the opponent's website, showing the earlier mark. Those prints which pre-date the relevant date (9 November 2015) include:
 - A news item dated 2 February 2013, referring to Acorn Estate Management putting in place services for a new landlord, who bought the property using Acorn Commercial and Development division. A ten year maintenance plan was drawn up.
 - A news item dated 28 February 2013 about Acorn Estate Management being appointed by the residents in a neglected block of flats in order to bring the block back to a state of repair.
 - A news item dated 12 September 2014 about an open day for viewing one bedroom apartments in Forest Hill.
- The opponent is a member of various professional associations and schemes for residential letting agents, estate agents and managing agents.

² Estimated.

9. The opponent filed written submissions at the same time as it filed the evidence described above. The written submissions comprise twenty pages, attached to which are 38 pages of what are described as annexes. These are actually copies of articles and extracts from the internet, intended to show how third parties refer to the opponent.

10. I am unable to take the annexes into account because they constitute evidence, but they have not been filed in evidential form³. Since they have not been filed under cover of a witness statement, affidavit or statutory declaration, they carry no evidential weight because there is no witness who can attest to their accuracy. The truth of the documents, or otherwise, cannot be tested by the applicant, which is unfair. I will take the written submissions into account except where they refer to the annexes (pages 11 to 14).

Decision

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

“(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.”

12. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(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 or 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

³ See Rule 64 of the Trade Marks Rule 2008.

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;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

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

(j) 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;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

13. The applicant's defence includes submissions about what services the parties provide, and where, and also that the opponent uses the device only. These points have no bearing on the assessment I must make under section 5(2) of the Act. The earlier mark is not subject to proof of its use, which means that it must be considered across the breadth of the services relied upon. Until a trade mark has been registered for five years, it is entitled to protection in relation to all the goods/services for which it is registered. Consequently, the opponent's earlier mark is protected for the services for which it is registered without the opponent needing to prove any use of its mark in relation to those services. The opponent's earlier mark is therefore entitled to protection against a likelihood of confusion with the applicant's mark

based on the ‘notional’ use of the earlier marks for the goods/services on which the opponent relies for the purposes of this opposition. This concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41:

"22.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."

14. This approach has recently been endorsed by the Court of Appeal in *Roger Maier v ASOS*⁴. How the opponent’s mark has actually been used may be relevant when it comes to assessing its claim for additional legal protection based on the claimed reputation of the earlier marks (section 5(3)), but the way that the mark has been used is irrelevant when it comes to assessing the likelihood of confusion based on just the registration of the earlier mark, under section 5(2) of the Act.

15. The parties’ respective services are shown in the table below:

Earlier mark	Application
<p>Class 35</p> <p>Advertising of commercial or residential real estate; Advertising services relating to financial services; Advertising services relating to real property; Business management of real estate [for others]; Advertising services relating to real property; Agency services for the selling on commission of personal property (other than real property); Auctioneering services related to real estate; Business management of real estate [for others]; Real estate auctioneering; Advertising of commercial or residential real estate.</p> <p>Class 36</p> <p>Appraisal of real estate; Assessment and management of real estate; Evaluation of real property; Real estate consultancy; Real estate valuation services; Real estate valuations; Appraisals for insurance claims of real estate; Arranging of leases and rental agreements for real estate; Consultancy in the purchasing of real estate; Estate trust management; Financial valuation of</p>	<p>Class 35</p> <p>Advertising services relating to real property; Advertising services relating to the sale of personal property.</p> <p>Class 36</p> <p>Evaluation of real property; Appraisals for insurance claims of personal property; Financial valuation of personal property and real estate; Property appraisal services [valuation]; Arranging leases for the rental of property; Administration of property portfolios; Accommodation bureaux (real estate property); Agency services for the leasing of real estate property; Agency services for the selling on commission of real property; Arranging of leases for the rental of commercial property; Commercial property investment services; Domestic property finding services; Estate management services relating to transactions in real property; Financial services relating to property; Financial services relating to real estate property; Financial services relating to real estate property and buildings;</p>

⁴ [2015] EWCA Civ 220, paragraphs 78 and 84.

<p>personal property and real estate; Management services for real estate investment; Providing information in the field of real estate by means of linking the web site to other web sites featuring real estate information; Real estate and property management services; Real estate appraisal services; Real estate brokerage services; Real estate investment; Real estate investment services; Real estate procurement for others; Real estate trustee services; Real estate settlement services [financial services];Estate agency services; Real estate affairs services; Real estate agency; Real estate agency services; Real estate appraisals; Real estate investment management; Real estate management services; Real estate services; Real estate investment planning; Real estate affairs; Real estates evaluation (fixing of a price); Leasing of real estate property; Accommodation bureaux (real estate property);Administration of financial affairs relating to real estate; Advisory services relating to real estate ownership; Advisory services relating to real estate valuations; Agency (estate -);Agency services for the leasing of real estate property; Agency services for the selling on commission of real property; Appraisal (real estate-);Arranging letting of real estate; Arranging of leases of real estate; Arranging of loan agreements secured on real estate; Arranging of shared ownership of real estate; Arranging the provision of finance for real estate purchase; Assisting in the acquisition of and interests in real estate; Assisting in the acquisition of real estate; Brokerage of real estate; Capital investment in real estate; Collection of debt on real estate rental; Commercial real estate agency services; Computerised information services relating to real estate; Consultation services relating to real estate; Corporate real estate advisory services; Estate agencies; Estate agencies (real-);Estate agency; Estate agency services for sale and rental of buildings; Estate agency services for sale and rental of businesses; Estate agent services; Estate brokerage; Estate management; Estate management (real-);Estate management services relating to transactions in real property; Estate planning services [arranging financial affairs];Evaluation of real estate; Financial brokerage services for real estate; Financial evaluations [real estate];Financial services for the purchase of real estate; Financial services related to real estate; Financial services relating to real estate property; Financial services relating to real estate property and buildings; Financing services relating to real estate development; Insurance services</p>	<p>Financial services relating to the acquisition of property; Financial services relating to the sale of property; Financial valuation of freehold property; Financial valuation of leasehold property; Financing of property development; Financing of property loans; Insurance brokerage for property; Insurance for property owners; Insurance relating to property; Insurance services relating to property; Insurance services relating to structured settlements rendered to property casualty insurers; Property (real estate-) appraisal [financial];Property (real estate-) brokerage services; Property (real estate-) consultancy services; Property (real estate-) evaluations; Property (real estate-) finance; Property (real estate-) insurance; Property (real estate-) investment; Property (real estate-) management; Property leasing [real estate property only];Property portfolio management; Property valuation; Appraisal of personal property for others; Evaluation of real property; Appraisals for insurance claims of personal property; Financial valuation of personal property and real estate; Property appraisal services [valuation];Real estate and property management services; Valuations and financial appraisals of property; Arranging leases for the rental of property; Leasing of real estate property; Administration of property portfolios; Accommodation bureaux (real estate property);Agency services for the leasing of real estate property; Agency services for the selling on commission of real property; Arranging of leases for the rental of commercial property; Commercial property investment services; Domestic property finding services; Estate management services relating to transactions in real property; Financial services relating to property; Financial services relating to real estate property; Financial services relating to real estate property and buildings; Financial services relating to the acquisition of property; Financial services relating to the sale of property; Financial valuation of freehold property; Financial valuation of leasehold property; Financing of property development; Financing of property loans; Insurance brokerage for property; Insurance for property owners; Insurance relating to property; Insurance services relating to property; Insurance services relating to structured settlements rendered to property casualty insurers; Leases (arranging of -) [real estate property only];Leasing of freehold property; Leasing of property; Loan services for property investment; Mortgaging relating to property and land; Property (real estate-) appraisal [financial];Property (real estate-)</p>
--	---

<p>Class 37</p> <p>relating to real estate; Investment advisory services relating to real estate; Investment in real estate (services for-);Leases (arranging of -) [real estate property only];Management of real estate; Property (real estate-) appraisal [financial];Property (real estate-) brokerage services.</p> <p>Advisory services relating to development of property; Advisory services relating to property development; Advisory services relating to the alteration of buildings; Advisory services relating to the maintenance of buildings; Advisory services relating to the renovation of property; Advisory services relating to the repair of buildings; Development of buildings; Development of land [construction];Development of properties; Development of property; Development (property -);Information services relating to the construction of buildings; Information services relating to the refurbishment of buildings; Project preparation relating to building renovation; Property development; Property development services [construction];Property maintenance; Refurbishment of buildings; Renovation and restoration of buildings; Renovation of buildings; Renovation of property; Services of property development.</p> <p>Class 42</p> <p>Design services relating to real estate; Real estate planning; Surveying of real estate.</p> <p>Class 45</p> <p>Conveyancing.</p>	<p>brokerage services; Property (real estate-) consultancy services; Property (real estate-) evaluations; Property (real estate-) finance; Property (real estate-) insurance; Property (real estate-) investment; Property (real estate-) management; Property leasing [real estate property only];Property portfolio management; Property valuation; Provision of finance for property development; Provision of information relating to property [real estate];Provision of information relating to the property market [real estate];Real property evaluation [financial];Real property letting; Real property management; Rental of property; Securing of funds for the purchase of property; Trusteeship of real estate property; Valuation of property; Valuation of real estate property; Valuation services of property for fiscal purposes; Management of property; Time-share property management; Intellectual property valuation services; Appraisal of personal property for others.</p> <p>Class 37</p> <p>Advisory services relating to development of property; Advisory services relating to property development; Advisory services relating to the renovation of property; Cleaning of property; Development (property -);Development of property; Property development; Property maintenance; Construction of property; Property development services [construction];Advisory services relating to development of property; Advisory services relating to property development; Advisory services relating to the renovation of property; Cleaning of property; Development (property -);Development of property; Property development; Property maintenance; Services of property development; Construction of property; Maintenance of property; Renovation of property; Property development services [construction].</p>
---	---

16. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union (“CJEU”) stated, at paragraph 23 of its judgment:

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

17. 'Complementary' was defined by the General Court ("GC") in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

"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...".

18. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* ("Treat") [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

19. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

"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."

20. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... 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) (IP TRANSLATOR)* [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."

21. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-33/05, the GC stated that:

"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 trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

22. The class 35 specification of the earlier mark includes *advertising services relating to real property*. This is identical to the applicant's *advertising services*

relating to real property. The opponent's *agency services for the selling on commission of personal property (other than real property)* is highly similar, if not strictly identical, to the applicant's *agency services for the selling on commission of personal property (other than real property)* because the services of an agency selling personal property are likely to involve advertising of the property.

23. Many of the class 36 services are duplicative within the parties' specifications. The applicant's services in class 36 are identical to the opponent's class 36 services shown below (amongst others in that class):

Evaluation of real property; real estate valuation services; arranging of leases and rental agreements for real estate; real estate and property management services; accommodation bureaux (real estate property); estate agencies; real estate investment services; real estate and property management services; financial services related to real estate; insurance services relating to real estate; property (real estate-) appraisal [financial]; property (real estate) brokerage services; consultation services relating to real estate; real estate trustee services; financial valuation of personal property and real estate.

24. I agree with the opponent that all of the applicant's class 37 services are covered (in many cases, identically worded) by the opponent's class 37 services, with the exception of *cleaning of property*. This service is similar to the opponent's *refurbishment of buildings, renovation and restoration of buildings* to a moderate degree. Cleaning of property covers all types of cleaning, including window cleaning and masonry cleaning. The purpose of the services is similar (to restore/clean), they may share channels of trade and be complementary so that the average consumer may think that the responsibility for those goods lies with the same undertaking.

Average consumer and the purchasing act

25. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97.

26. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

27. Primarily, the average consumer's encounter with the parties' marks will be on a visual level, such as signage on premises, advertisements in newspapers and trade press, and website use. Furthermore, visual research will be undertaken before commitment is made. However, the potential for oral use must also be recognised, such as oral recommendation and use over the telephone, particularly for financial services.

28. Some consumers of the parties' services may be high-net-worth, seeking expensive real estate; others may be members of the general public. Those selling property will pay attention to choosing a provider to oversee the sale on their behalf. Those buying a property are likely to pay more attention to the property than who is selling it. Overall, the average consumer's level of attention will be of a good level, except for property cleaning services, to which an average degree of attention will be paid.

Comparison of marks


29. As stated earlier, the marks must be compared as they exist on the register, not in the form in which they are used.

30. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Case C-591/12P, Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

31. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

32. The respective marks are:

Earlier mark	Application
	RealAcorn Real Acorn Real-Acorn Real_Acorn

33. Acorn is the only word in the earlier mark. It's impact is reinforced by the acorn device. The two elements are equally dominant and contribute equally to the overall 'acorn' impression. The overall impression of the application is also 'acorn', qualified by real, i.e. authentic acorn. Since 'real' qualifies 'acorn', it is 'acorn' which is the more dominant element. Despite the slightly different presentation of the individual marks in the series, the marks will clearly be perceived as two words, Real and Acorn.

34. The application has no device counterpart. The single point of visual similarity between the two marks is the word acorn. In both marks, although there is an element which precedes the word acorn, it does not detract from the acorn element which is still prominent (highly so in the earlier mark). There is a medium degree of visual similarity between the marks.

35. The device will not be articulated. Taking into account that 'real' will be spoken first in the applicant's mark, there is a good level of aural similarity.

36. The single concept of the earlier mark is of an acorn (the seed of oak trees). As said earlier, 'acorn' in the application is qualified by 'real', meaning it is authentic, or true. Real describes acorn. It is clear from the wording of the parties' specifications that 'real' is also meaningful in relation to real estate. The marks are highly similar conceptually. Overall, there is a good deal of similarity between the marks.

Distinctive character of the earlier marks

37. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁵ the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

⁵ Case C-342/97.

38. Inherently, the earlier mark has an average degree of distinctive character. An acorn is a common word, the seed of the oak species of tree. It does not directly describe any characteristic of the opponent's services. The turnover, advertising figures and numbers of lettings show that the mark has a reputation in relation to estate agency and letting services in South East London and Kent, which is a densely populated and sizeable area. This was recognised by the inclusion of the opponent in the London Stock Exchange's 1000 Companies to Inspire Britain in 2015. The mark's inherent distinctive character has been improved to an above average level, for estate agency and letting services. I am unable to find enhanced distinctive character for financial services as, although £170 million worth of mortgages have been arranged, prices in London and surrounding areas mean that this might not actually constitute a great number of individual customers.

Likelihood of confusion

39. The applicant also seeks to rely (in its counterstatement) on the existence of other 'Acorn' signs and trade names from directories to show that such marks can co-exist without a likelihood of confusion. However, there is no evidence that the signs or names are in use on a scale that might have led to confusion. It cannot, therefore, be shown that the public have got used to distinguishing between them without confusion and so does not assist with the applicant's argument that there is no likelihood of confusion.

40. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that, with the exception of *cleaning of property*, the parties' services are identical, or nearly so.

41. There is a good level of similarity between the marks, particularly at conceptual level. The addition of the word 'Real', in relation to services dealing with real estate, does little to distinguish the marks from one another. The overwhelming impression of both marks, and the conceptual hook which will reside in the average consumer's recollection, is 'acorn'. Furthermore, in relation to estate agency and letting services, the earlier mark has an above average level of distinctive character, which increases the likelihood of confusion. In relation to cleaning of property, for which the level of similarity between the services is moderate, 'acorn' is more distinctive than in relation to, e.g. property and other forms of investment (which might grow in value from a small start to a large value). The level of attention paid during the purchasing process for property cleaning services is also not likely to be of the highest level; again, the conceptual hook will be the same and will increase the chances of imperfect recollection. There is a likelihood of confusion in relation to all of the services of the application.

42. Like the opponent, the applicant has also attached documents to its submissions. For the record, these would not have made any difference, even if I had been able to consider them (had they been filed in evidential form). The

documents comprise two speculative emails which start 'Dear Real', asking if the applicant would be interested in some building work, and an invoice from a firm of solicitors who had provided the applicant with advice relating to this dispute.

43. The ground under section 5(2)(b) succeeds.

44. Section 5(3) of the Act states:

“A trade mark which—

is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC) in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

45. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is

weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

46. The first requirement is for the opponent to prove that it has a reputation in the services relied upon, as per *General Motors*:

“23. Such a requirement is also indicated by the general scheme and purpose of the Directive. In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

47. I referred earlier to my finding that the opponent has a reputation in its mark for estate agency and letting services in South East London and Kent. The nature of the reputation has led to the opponent achieving inclusion in the London Stock Exchange’s 1000 Companies to Inspire Britain in 2015. This creates an image of entrepreneurship and general commercial success.

48. Similarity of signs under section 5(3) of the Act is assessed visually, aurally and conceptually, as per *Adidas-Salomon*:

“28. The condition of similarity between the mark and the sign, referred to in Article 5(2) of the Directive, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, in respect of Article 5(1)(b) of the Directive, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 23 in fine, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraphs 25 and 27 in fine).

29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

49. I have already found the marks to be similar to a good degree. The combination of reputation and similarity between the marks and services will cause the relevant public to make a link between the marks, in the sense of bringing the opponent’s mark to mind⁶. Will use of the application take unfair advantage of the earlier mark? As I have found a likelihood of confusion, it follows that the public will buy the applicant’s services because of the link made with the opponent’s mark (because the two will be confused). This is an obvious advantage because it confers a marketing leg-up upon the applicant; its mark will feel instantly familiar to the relevant public, making it easier to establish than if it had had to start from scratch.

⁶ *Intel*

50. There is some debate as to whether the judgment of the CJEU in *L’Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L’Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited*¹ [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L’Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull*.

51. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

52. In my view, even if the applicant did not intend to ride on the coat tails of the reputation of the earlier mark, the strength and nature of the reputation, the strength of the link made, and the closely allied services means that the objective effect of use of the application will be to benefit unfairly from the reputation of the earlier mark. The applicant has filed no evidence so there is no suggestion that it has ‘due cause’ to use the mark for which it has applied. I find that use of the application would take unfair advantage of the repute of the earlier mark. **The section 5(3) claim succeeds.**

53. The opponent only needs to establish success under one of the three types of damage; as it has also succeeded under section 5(2)(b), for the sake of procedural economy, I do not propose to look at the other two possible heads of damage under section 5(3) of the Act.

Section 5(4)(a)

54. Given the conclusions reached, I will deal briefly with the claim to passing off. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

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

(b)...

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

55. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

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

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

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

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

56. The relevant date at which matters must be assessed is the date on which the application was made because there is no evidence that the applicant has used the mark before that date. It is clear from findings made earlier in this decision that the opponent, at 30 April 2015, owned a substantial reputation and goodwill in the mark, at least for estate agency and letting services. I note that the applicant states that it operates in south west London and Sussex and that the opponent operates in south east London and Kent. These areas couldn’t be closer together. For this reason and for similar reasons to those which I have already set out in relation to a likelihood of confusion under section 5(2)(b) of the Act, I find that there is a misrepresentation which is likely to lead to a substantial number of the public believing that the applicant’s services are those of the opponent. This belief will cause damage to the opponent; at the very least, by diverting trade from the opponent.

57. The applicant is liable to be prevented from use of its trade mark under the law of passing-off. **The opposition succeeds under section 5(4)(a) of the Act.**

Outcome

58. The opposition succeeds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act. The application is refused.

Costs

59. The opponent has been successful and is entitled to a contribution toward the cost of the proceedings. The registrar normally awards costs from the published scale, as set out in Tribunal Practice Notice 4/2007. I will not make an award for the opponent's written submissions in lieu of a hearing because they were a truncated form of the submissions which it filed during the evidence rounds. I assess the cost award as follows:

Opposition fee	£200
Preparing a statement and considering the counterstatement	£300
Filing evidence and submissions	£500
Total	£1000

60. I order Avodah Partners Ltd to pay Acorn Limited the sum of £1000 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 23rd day of May 2016

**Judi Pike
For the Registrar,
the Comptroller-General**