

O-010-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2454946

BY

TAU CAPITAL PLC

TO REGISTER THE TRADE MARK:

TAU CAPITAL

IN CLASS 36

AND

THE OPPOSITION THERETO

UNDER NO 96915

BY

ITAÚ UNIBANCO SA

Trade Marks Act 1994

**In the matter of application no 2454946
by Tau Capital Plc
to register the trade mark:
TAU CAPITAL
in class 36
and the opposition thereto
under no 96915
by Itaú Unibanco SA**

1) On 9 May 2007 Tau Capital Plc (Plc) filed an application to register the trade mark **TAU CAPITAL**. The trade mark was published in the *Trade Marks Journal*, for opposition purposes, on 25 January 2008 with the following specification:

financial services; investment management; investment fund services; operation and management of investment funds; operation and management of hedge funds; private equity funding; private equity investments; provision of information relating to financial matters, investments, and monetary matters; consultancy and advice relating to financial matters, investments and monetary matters; fund raising for industrial and commercial projects.

The above services are in class 36 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 23 April 2008 Banco Itaú SA filed a notice of opposition to the registration of the trade mark. Banco Itaú SA has changed its name to Itaú Unibanco SA (Unibanco). Unibanco relies upon sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

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

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

Section 5(4)(a) of the Act states:

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

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

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

4) Unibanco, in relation to section 5(2)(b) of the Act, relies upon the following trade mark registrations:

- United Kingdom registration no 1397672 of the trade mark ITAU. The application for registration was made on 12 September 1989 and the registration process was completed on 7 December 1990. It is registered for:

banking services included in Class 36.

Unibanco states that the above trade mark has been used in relation to all of the services for which it is registered in the five years up to the date of the publication of Plc's application.

- United Kingdom registration no 2448749 of the trade mark:



The application for registration was made on 7 March 2007 and the registration process was completed on 17 August 2007. It is registered for:

insurance; financial services; monetary services; financial affairs; monetary affairs; real estate services; real estate affairs; banking; credit services; investment services; loan and real estate credit services.

The above services are in class 36 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- United Kingdom registration no 2448748 of the trade mark:



The application for registration was made on 7 March 2007 and the registration process was completed on 17 August 2007. It is registered for:

insurance; financial services; monetary services; financial affairs; monetary affairs; real estate services; real estate affairs; banking; credit services; investment services; loan and real estate credit services.

The above services are in class 36 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- Community trade mark registration no 3514213 of the trade mark:



The application for registration was filed on 31 October 2003, with an international priority dated of 6 August 2003, and the registration process was completed on 29 June 2005. Unibanco relies upon the class 36 services of the registration, namely:

insurance; financial affairs; monetary affairs; real estate affairs.

- Community trade mark registration no 3514221 of the trade mark:



The application for registration was filed on 31 October 2003, with an international priority dated of 6 August 2003, and the registration process was completed on 12 April 2005. Unibanco relies upon the class 36 services of the registration, namely:

insurance; financial affairs; monetary affairs; real estate affairs.

- Community trade mark registration no 3514825 of the trade mark:



The application for registration was filed on 31 October 2003 and the registration process was completed on 21 June 2005. Unibanco relies upon the class 36 services of the registration, namely:

insurance; financial affairs; monetary affairs; real estate affairs.

- Community trade mark registration no 3514858 of the trade mark:



The application for registration was filed on 31 October 2003 and the registration process was completed on 25 April 2007. Unibanco relies upon the class 36 services of the registration, namely:

insurance; financial affairs; monetary affairs; real estate affairs.

- Community trade mark registration no 3514866 of the trade mark **ITAÚ**. The application for registration was filed on 31 October 2003 and the registration process was completed on 21 June 2005. Unibanco relies upon the class 36 services of the registration, namely:

insurance; financial affairs; monetary affairs; real estate affairs.

5) In relation to the grounds of opposition under section 5(4)(a) of the Act Unibanco relies upon the sign **ITAÚ**. Unibanco states that the sign has been used in the United Kingdom in relation to the provision of banking services, investment services and the provision of loans. It states that the sign has been in use since, at least, August 2001.

6) Plc filed a counterstatement. It requires proof of use of United Kingdom trade mark registration no 1397672 as per section 6A of the Act¹. Plc denies that registration of its trade mark would be contrary to section 5(2)(b) of the Act. It states that its trade mark is not similar to those of Unibanco, there being significant visual, phonetic and conceptual differences between the trade marks. Plc also denies the grounds of opposition under section 5(4)(a) of the Act.

7) Both parties filed evidence.

8) A hearing was held on 6 January 2011. Plc was represented by Ms Fiona Clark of counsel, instructed by White & Case LLP. Unibanco was represented by Ms Jessie Bowhill of counsel, instructed by Stevens Hewlett & Perkins.

Evidence of Unibanco

Witness statement of Gabriel Francisco Leonardos

9) Mr Leonardos is the “Authorized Representative Attorney” of Unibanco.

10) Unibanco was founded in 1943 and started operating in Brazil in 1944. Mr Leonardos states that Unibanco is one of Brazil’s largest private financial institutions and has a consolidated stockholder’s equity of R\$ 31.7 billion and total assets of R\$ 573.7 billion. Mr Leonardos states that according to Interbrand in 2008 ITAÚ was the most valuable trade mark in Latin America; material relating to this is shown at Exhibit A. Unibanco is part of the Brazilian conglomerate Itaú Unibanco, controlled by Itaú Unibanco Holding SA. On 3 November 2008 “it was announced the association of the operations of Banco Itaú Holding Financeira S.A (now named Unibanco Holding S.A.) and Unibanco – União dos Bancos Brasileiros S.A. This operation brought ITAÚ UNIBANCO HOLDING S.A. into being one of the 15th largest financial institutions in the world by market capitalization according to Bloomberg, reaching US\$ 65.8 billion (June/2009).”

11) Mr Leonardos states that Unibanco and other companies of the conglomerate Itaú Unibanco have a presence through subsidiaries, affiliates, branches and representative offices in many countries; these include Portugal, Luxembourg and the United Kingdom. In 1994 Unibanco founded Banco Itaú Europa SA, which opened its London office on 6 January 2003. Exhibited at Exhibit B are pages downloaded from the website of Companies House. These show the Portuguese company Banco Itaú Europa SA having a United Kingdom establishment in London which was opened on 6 January 2003. Also shown are details of Itau UK Securities Limited, which has a date of incorporation in the United Kingdom of 7 August 2008. Unibanco’s London office is registered by the Financial Services Authority under number 220622. The security and brokerage arm of Unibanco in London is Itaú UK Securities Limited. The domain name itausecurities.com was registered on 25 June 2002. Pages from the website downloaded on 14 October 2009 are to be found at Exhibit C. Included in the printouts are the contact details of Unibanco in London, the address is the same as the registered office of Itaú UK Securities Limited. The pages advise that Itaú Securities, the brokerage arm of Unibanco, has a “sales global platform” that is located in the major financial centres of the world, including London.

12) Mr Leonardos states that Itaú UK Securities Limited and Banco Itaú Europa SA offer a variety of financial services under the trade mark ITAÚ in the United Kingdom, including the provision of loans and guarantees and asset management. He states that the office serves to provide a one stop shop for

United Kingdom based investors and speculative entrepreneurs to invest their money in operations in Brazil and Latin America. Mr Leonardos states that services provided under ITAÚ also include financial assistance, support and the means to allow investors in the public equity, private equity, fixed income and futures market. He states that the research team of Itaú Securities provides in-depth coverage of over 130 listed companies in Latin America. On 16 and 17 November 2009 Itaú Securities held their second Annual Brazil Conference at the Dorchester Hotel in London; as this is well after both the date of application and the date of publication of the application, this does not have a bearing upon this case.

13) Mr Leonardos states that Unibanco has been recognised in the United Kingdom for its excellent service. At Exhibit E are copies of two awards made to Banco Itaú. In the Banker Awards 2004 the bank was named bank of the year for Brazil, in the Euromoney 2005 Awards for excellence Bank Itaú won the award for the best bank in Brazil. At Exhibit F is a copy of report compiled for 8th Forum Latibex of 15, 16 and 17 November 2006 entitled *Perspectives for the Local and International Fixed Income Market in Brazil*. The month is written as Noviembre. The report has been produced by Itaú Europa. It deals with the economic and market situation in Brazil and Itaú Group's position in Brazil.

14) Mr Leonardos states that Unibanco has advertised extensively in magazines and publications that are circulated in the United Kingdom. Copies of such material are found at Exhibit G. Mr Leonardos also supplies a table in relation to this advertising:

Item	Publication	Date	United Kingdom/Europe Circulation Figures (approx)
1	<i>The Financial Times</i>	4 June 2003	100,000 (daily)
2	<i>Bloomberg Markets</i>	<i>July 2009</i>	300,000 (weekly)
3	<i>Euromoney</i>	<i>September 2009</i>	140,000 (monthly)
4	<i>Euromoney</i>	<i>July 2009</i>	140,000 (monthly)
5	<i>Euromoney</i>	<i>June 2009</i>	140,000 (monthly)
6	<i>Euromoney</i>	<i>November 2008</i>	140,000 (monthly)
7	<i>Euromoney</i>	<i>September 2008</i>	140,000 (monthly)
8	<i>Euromoney</i>	<i>June 2008</i>	140,000 (monthly)

9	<i>Euromoney</i>	<i>March 2008</i>	140,000 (monthly)
10	<i>Euromoney</i>	March 2007	140,000 (monthly)
11	<i>The Banker</i>	<i>May 2009</i>	28,000 (monthly)
12	<i>Emerging Markets</i>	8 April 2005	Unknown
13	<i>The Wall Street Journal</i>	<i>30 March 2009</i>	78,000 daily
14	<i>Institutional Investor</i>	March 2007	Unknown
15	<i>IFR Review of the Year</i>	2003	Unknown
16	<i>Brazil Business Brief</i>	June 2003	Unknown
17	<i>Brazil Business Brief</i>	September 2004	Unknown
18	<i>Brazil Business Brief</i>	2006	Unknown
19	<i>Brazil Business Brief</i>	December 2007	Unknown

Italicised dates indicate that the publication emanates from after the date of publication. The emboldened date is after the date of application but before the date of publication. *Brazil Business Brief* is described as being:

“News from The Brazilian Chamber of Commerce in Great Britain.”

15) Item 1 is an advertisement for Itaú Europa Bank. It advises that “Itaú Group’s Portuguese Bank has just opened a branch in London. There is reference to Itaú Group and Itaú Europa. The word and device as per United Kingdom registration no 2448749 appears twice, once followed by Europa. The advertisement advises that the Itaú Group will “provide support for your financial needs in Brazil.... What you need is a sound partner who understands the country’s economy and corporate culture”.

16) Item 10 includes an advertisement for Itaú. Itaú is represented as per United Kingdom registration no 2448749. The advertisement also refers to Itaú on its own. Itaú is described as one of the largest banks in Latin America. The advertisement states that Itaú has a presence in São Paulo, London, New York, Cayman Islands, Luxembourg, Buenos Aires and Tokyo. The top of the advertisement states that “Brazil offers plenty of business opportunities. Start with the best one: the right partner”.

17) The provenance of item 12 is identified as being Okinawa. An advertisement for Itaú shows use of Itaú, Banco Itaú Holding Financeira SA and Itaú as per United Kingdom registration no 2448749. Telephone numbers in New York, São

Paulo, London and Lisbon are given. The advertisement is headed "Get ahead. To invest in Brazil, look for a bank with great performance yesterday, today and tomorrow.

18) Item 14 includes the same advertisement as shown in item 10.

19) Item 15 includes an advertisement that shows use of Itaú on its own and as per United Kingdom registration no 2448749. Itaú is described as "[t]he specialist in Brazil. Your partner in the International Capital Markets."

20) Item 16 includes a short editorial piece on Banco Itaú. Banco Itaú is described as one of the largest private banks in Brazil. The reader is advised that it has opened a "London branch through their Portuguese subsidiary Itaú Europa. To celebrate this event Mr Roberto Egydio Setubal, the Chairman of the Board of Banco Itaú Europa S.A. and President & CEO of Banco Itaú S.A. held a reception at the Dali Centre, County Hall, London, on 4 June 2003." The item includes an advertisement for Itaú Europa Bank that is the same as that shown in item 1.

21) Item 17 includes an advertisement for Itaú. Itaú on its own and Itaú Europa appear. Itaú also appears as per United Kingdom registration no 2448749 next to Europa. The reader is advised that "[n]o matter what size your investment in Brazil is, Itaú is your best partner". Item 18 includes that same advertisement. Item 19 includes an advertisement for Itaú Europa. Itaú on its own appears. Itaú also appears as per United Kingdom registration no 2448749 next to Europa. The advertisement advises that the bank is "[a]uthorised by the Banco de Portugal and regulated by the Financial Services Authority for designated investment business in the UK". The reader is advised that:

"Through Itaú Europa , you can access a wide range of solutions in capital markets; trade finance; financial advisory; corporate finance; project finance; M&A; hedging; private banking; international cash management; treasury operations and more."

22) Mr Leonardos states that Banco Itaú Europa SA has sponsored and/or supported a number of events in the United Kingdom including: Tropicalia: A Revolution in Brazilian Culture held at the Barbican in London from 13 February to 22 May 2006; The Lord Mayor's Appeal 2005; The Emerging Markets Benefit Ball 2003; Personality of the Year 2007 (Brazilian Chamber of Commerce in Great Britain). Material relating to this sponsorship/support is found at Exhibit H. The material relating to Tropicália shows use of Itaú as per United Kingdom registration no 2448749 next to Europa, in a list of three associate sponsors. An advertisement for Itaú Europa appears in relation to the Lord Mayor's Appeal. Itaú Europa is advertised as being the gateway for investments in Brazil. The advertisement shows use of Itaú Europa, Itaú and Itaú as per United Kingdom registration no 2448749 next to Europa. An advertisement for Itaú Europa appears in relation to the Emerging Markets Benefit Ball. Itaú Europa advertises

itself as providing support for “your financial needs in Brazil”. The advertisement shows use of Itaú Europa, Banco Itaú Europa and Itaú as per United Kingdom registration no 2448749 next to Europa. An advertisement for Itaú Europa appears in relation to Personality of the Year 2007. The following appears in the advertisement:

“When it comes to capturing business opportunities in Brazil, you need to partner with a financial services provider with the expertise and experience to understand your aims and how to achieve them in the diverse and rapidly changing Brazilian economy. Through Itaú Europa you can access a wide range of solutions in capital markets; trade finance; financial advisory; corporate finance; project finance; M&A; hedging; private banking; international cash management; treasury operations and more.”

There is also use of Itaú and of Itaú as per United Kingdom registration no 2448749 next to Europa.

23) Mr Leonardos states that Banco Itaú Europa SA has in the past sponsored the production of the *Brazil Trade Guide*, which is a DVD circulated in the United Kingdom and produced in association with the United Kingdom governmental organisation, UK Trade & Investment. A copy of the front and rear covers of the DVD is found at Exhibit I. Itaú appears as per United Kingdom registration no 2448749 next to Europa.

24) At Exhibit J a copy of Banco Itaú Europa SA’s annual report for 2004 compiled by its head office in Lisbon is produced. Mr Leonardos states that the report integrates the statistics and results for Banco Itaú Europa SA’s London office. He refers to page 12 which includes a diagram of the structure of Itaú Investimentos SA group. There is no indication of the “statistics and results” of the London office on this page and Ms Bowhill was unable to advise where such figures could be found.

25) At Exhibit K are copies of press articles from 2003. Mr Leonardos states that these announce the opening of the London office on 4 June 2003; they also include an interview with Mr Almir Vignoto, president of Itaú Europa, from September 2003. At Exhibit L a copy of an invitation to a cocktail party on 4 June 2003 to mark the opening of the London branch of Banco Itaú Europa can be found.

26) Two witness statements have been furnished by Robin Philip Webster of Stevens Hewlett & Perkins. These statements are purely submission. Consequently, they will not be summarised here. Neither counsel made any reference to these witness statements.

Evidence of Plc

Witness statement of Marcus Leonard Collins

27) Mr Collins is a solicitor with White & Case LLP. Mr Collins states that Plc is a public limited company which was incorporated in the Isle of Man on 3 April 2007 under company number 119384C. He states that Plc is an investment company primarily established to provide investors with the opportunity to participate in investment opportunities in Kazakhstan and its neighbouring countries (eg the Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan and the Russian Federation) through a mix of public and private equity funding. Exhibited at MLC2 are screen shots from Plc's website, taucapitalplc.com, these emanate from 24 March 2010. In the company overview the following appears:

“Spencer House Compass Company Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, acts as investment manager of the Company and is responsible for identifying, structuring and monitoring investments. The investment manager delegates its responsibilities to Spencer House Capital Management LLP and Compass Asset Management, the investment advisers...”

At page 10 of the exhibit a list of significant shareholders can be found: Jupiter Asset Management, Richard Horlick, Aegon Asset Management, Credit Suisse, Alfier Capital, BlueCrest Capital Management, Henderson Global Investors, Berma Trust, First Arrow Investment Management, Talisman Global Asset Management, Visor Capital, Scottish Widows and Investec Asset Management. Details of Plc's investment portfolio as of 31 December 2009 and 2010 are found at pages 11 and 12. (Mr Horlick is identified in material exhibited at MLC3 as the CEO and founding partner of Spencer House Capital Management LLP and as a non-executive director of Plc.)

28) Exhibited at MLC3 are copies of trading statements dated 9 May 2007, 5 June 2007, 9 July 2007 and 8 August 2007, together with a presentation on financial results dated 8 April 2008. The presentation relates to 2007 and was made by Mr Horlick, in addition to Plc's name it bears the names of Compass Asset Management and Spencer House Capital Management on every page. It advises that Plc was successfully admitted to AIM on 9 May 2007. Exhibited at MLC4 is a copy of the placing document for admission to trading on AIM on the London Stock Exchange. The document states that it was published on 3 May 2007 and that the effective issue date of the placing shares was 9 May 2007. In the documents exhibited at MLC2 reference is made to investments being made in Kazakhstan and Investment Countries. In the placing document Investment Countries are defined as the Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan and Russia. The investment strategy is defined as:

“invest in Public Equities of companies with assets in Kazakhstan or in the Investment Countries (or whose business has exposure to Kazakhstan or in the Investment Countries), who have securities listed in the KASE or any other stock exchange or are otherwise traded on over-the counter markets in Kazakhstan, the Investment Countries or internationally; and

provide equity and equity-related investment capital to Private Companies operating in or with business exposure to Kazakhstan and further in the Investment Countries (or whose business is located within Kazakhstan or an Investment Country) who are seeking capital for growth and development, consolidation or acquisition, or as a pre-IPO round of financing. Investments may also be made in Special Situations if the Manager considers the investment of a type in keeping with the aims of the Fund.”

29) Exhibited at MLC5 is a copy of Plc’s annual report and accounts for 2008. The portfolio activity for both public and private equity all relates to Kazakhstan.

30) Exhibited at MLC6 are pages downloaded from the Wikipedia website relating to the word Tau. Tau is defined as a letter from the Greek alphabet. The material lists, inter alia, scientific use of the lower case letter τ . The lists of the use of Tau do not include any relating to the financial sector, although one definition is that τ is a symbol for the specific tax amount.

Material dates

31) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20,1993. This was the subject of consideration by the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act; so Unibanco must establish a protectable goodwill as of the date of application, ie 9 May 2007. There is no indication of any trading activity by Plc prior to its admission to AIM on 9 May 2007, which is the date of application. Consequently, no further dates have to be considered re the passing-off issue; eg there is no question of senior user by Plc or concurrent goodwill at the date of application.

32) In relation to the proof of use of United Kingdom trade mark registration no 1397672, the material period is from 26 January 2003 to 25 January 2008.

Findings of fact

Proof of use

33) The Court of Justice of the European Union (CJEU) set out the criteria for deciding if there had been genuine use of a trade mark in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01:

“36. “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector

concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

In *MFE Marienfelde GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-334/01* the GC stated:

“34 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market 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 (*Ansul*, paragraph 43).

35 Concerning the extent of the use made of the earlier mark, account must be taken, in particular, of the commercial volume of all the acts of use on the one hand and the duration of the period in which those acts of use occurred, and the frequency of those acts, on the other.

36 In order to examine, in a given case, whether use of the earlier mark is genuine, an overall assessment must be made taking account of all the relevant factors in the particular case. That assessment implies a certain interdependence between the factors taken into account. Thus, a low volume of goods marketed under that trade mark may be compensated for by a high intensity or a certain constancy in time of the use of that trade mark or vice versa. Moreover, the turnover achieved and quantity of product sales under the earlier mark cannot be assessed in absolute terms but must be assessed in relation to other relevant factors, such as the volume of commercial activity, the production or marketing capacities or the degree of diversification of the undertaking exploiting the mark, and the characteristics of the products or services on the market in question. For that reason, the Court has held that use of the earlier mark need not always be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39).

37 However, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to

produce additional evidence to dispel possible doubts as to its genuineness.”

34) Ms Clark submitted that the evidence furnished by Unibanco does not show use by Unibanco or with its content, does not show use in the form registered or in a form differing in elements which do not alter the distinctive character in the form in which it was registered, does not show use as a trade mark, does not show use for the services for which it is registered, or for all of the services for which it is registered.

35) If there has been use of the trade mark in the United Kingdom, it will have primarily been by Banco Itaú Europa SA. Mr Leonardos states that Unibanco founded Banco Itaú Europa SA in 1994 and this undertaking established a London office on 6 January 2003. At exhibit J page 12 the structure of Itaú Investimentos SA can be seen, it is noted that this is an annual report for 2004. This shows that Itaú Investimentos SA controlled Banco Itaú SA and Itausa Europa Investimentos SGPS, Lda, that last undertaking had a 100% ownership of Itausa Portugal SGPS, SA which in turn owned 100% of Banco Itaú Europa SA. From the facts of this case, the consent of Unibanco to the use by Banco Itaú Europa SA of the trade mark can be inferredⁱⁱ.

36) Ms Clark submitted that any use of ITAU was not use as a trade mark but as a company name. She referred to *Céline SARL v Céline SA* Case C-17/06

“20 It is clear from the scheme of Article 5 of the directive that the use of a sign in relation to goods or services within the meaning of Article 5(1) and (2) is use for the purpose of distinguishing the goods or services in question, whereas Article 5(5) is directed at ‘the use which is made of a sign for purposes other than distinguishing the goods or services’ (Case C-63/97 BMW [1999] ECR I-905, paragraph 38).

21 The purpose of a company, trade or shop name is not, of itself, to distinguish goods or services (see, to that effect, Case C-23/01 Robelco [2002] ECR I- 10913, paragraph 34, and Anheuser- Busch, paragraph 64). The purpose of a company name is to identify a company, whereas the purpose of a trade name or a shop name is to designate a business which is being carried on. accordingly, where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being ‘in relation to goods or services’ within the meaning of Article 5(1) of the directive.

22 Conversely, there is use ‘in relation to goods’ within the meaning of Article 5(1) of the directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he

markets (see, to that effect, Arsenal Football Club, paragraph 41, and Adam Opel, paragraph 20).

23 In addition, even where the sign is not affixed, there is use 'in relation to goods or services' within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party."

The services being offered by Unibanco are only offered by reference to signs containing the word Itaú; the purpose is to distinguish those services from others. The use is not on a par with a retail establishment. Ms Clark referred to use of a company name. There is use of a company name, as well as of Itaú on its own, but there is nothing that precludes a company name from being used as a trade mark. The matter turns upon the nature of the use. The use of Itaú on its own and with other matter is use as a trade mark.

37) The use shown has been of Itaú, with an accent, or Itaú with other matter. It was Ms Clark's submission that use of Itaú with an accent is not use of the trade mark in a form which does not alter the distinctive character in the form in which it was registered. In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. Lord Walker stated:

"43 I have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?"

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vaultlike trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who "normally perceives a mark as a whole and does not proceed to analyse its various details."

In *Boura v Nirvana Spa & Leisure Ltd* BL O/262/06 Mr Richard Arnold QC, sitting as the appointed person, stated:

"15. It is clear from BUD and BUDWEISER BUDBRÄU and the four Court of First Instance cases that the normal approach to the assessment of distinctive character applies in this context. As the European Court of Justice has reiterated in numerous cases, the distinctive character of a trade mark must be assessed (i) in relation to the goods or services in question and (ii) according to the perception of the average consumer of those goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect."

38) There is more than one type of average consumer of banking services. There is the public at large and there are corporate investors, entrepreneurs and the like. The first group is likely to be less educated and informed in its dealings than the last groups. In this case the evidence of use of Unibanco relates to banking services supplied for investment purposes. The user of these services will be highly educated and knowledgeable, they are services that will be supplied to professionals or persons of high net worth. For such individuals, is the presence of an accent over the u for the services furnished going to alter the distinctive character of the trade mark? The accent is over the last letter, in relation to the letter over which it is placed and in relation to the trade mark as a whole, it is very small. Accents appear only in a few English loan words such as naïve, rôle and café. An accent over a letter u is unusual. Ms Clark submitted that it would indicate that the word is of foreign origin, so having a definite impact on the perception of the average consumer. There is no evidence to this effect. However, the use that has been shown relates to Latin America and primarily Brazil and so in the context of the use this is likely to be the position. For the average consumer in the United Kingdom the accent will not affect the pronunciation of the trade mark. The presence or absence of the accent may well be likely to be seen merely as a matter of choice and convenience rather than being freighted with any meaning for or effect upon the average consumer. The English words referred to above are also written without the accents and so the non-Portuguese speaker is unlikely to attach great import to the presence or otherwise of an accent. In French capitalised words may be written without the accent, but whether the average consumer would know this is not established and there is no evidence of the position in Portuguese; the Community word only

trade mark, which is in upper case, includes the accent. Taking into account the size and position of the accent, it is not considered that for the average consumer in the United Kingdom the presence of the accent alters the distinctive character of the trade mark in the form in which it was registered.

39) Ms Clark commented upon the absence of any turnover figures for the business of Unibanco in the United Kingdom. The requirement for use includes creating a market, where it is warranted in the economic sector concerned. Banco Itaú Europa SA established its London office on 6 January 2003, since that date it has over the years promoted and advertised its services emanating from London. Taking into account the period for which the business has been conducted, its activities are considered to represent genuine use to, at least, create a market which is warranted in the sector concerned.

40) It is necessary to decide upon a fair description for the services for which genuine use has been shown and which fall within the parameters of the specification. The description must not be over pernicketyⁱⁱⁱ. It is necessary to consider how the relevant public, which for the services shown would be professionals or persons of high net worth, would describe the services^{iv}. The GC in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* held:

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

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

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2)

to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

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

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

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade

mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed in a number of previous decisions. In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

41) Ms Clark submitted that banking services covers a very wide variety of services and if it was decided that there had been genuine use of the trade mark, the services should be limited. It is fair to say that banking services are commonly divided into various categories eg retail banking, merchant banking and investment banking. The evidence for Unibanco shows that it is offering investment banking services. **It is considered that a fair specification for United Kingdom trade mark registration no 1397672 is *investment banking services*.** It is considered that further limiting the services to Latin America is too pedantic.

42) In her submissions Ms Clark advanced the proposition that the comparison of the trade mark should be made by reference to the nature of the use that has been made of it. In *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03* the GC rejected such an approach:

“65 Before examining the visual, phonetic and conceptual comparison of the signs carried out by the Board of Appeal, it is necessary to reject the applicant’s argument that the Board of Appeal ought to have examined the earlier national mark not as it was registered but as it was used, by the sign reproduced in paragraph 10 above.

66 It is important to note that, under the provisions of Regulation No 40/94 governing examination of opposition to registration of a Community trade mark, the purpose of demonstrating genuine use of an earlier national mark is to provide a means for its proprietor, at the express request of the Community trade mark applicant, to furnish proof that during the period of five years preceding the date of publication of the Community trade mark application its mark has been put to actual and genuine use on the market. In accordance with Article 15(2)(a) and Article

43(2) and (3) of Regulation No 40/94, that proof also applies where the sign used differs from the earlier mark as it was registered in elements which do not alter the distinctive character of the mark. In the absence of such demonstration, in particular if the elements used alter the distinctive character of the earlier mark, or in the absence of demonstration of justifiable grounds for lack of use, the opposition must be dismissed. Accordingly, demonstration of genuine use of an earlier mark in connection with opposition proceedings has neither the aim nor the effect of granting its proprietor protection for a sign or elements of a sign which have not been registered. Accepting the opposite argument would lead to unlawful extension of the protection enjoyed by the proprietor of an earlier mark which is the basis of an opposition to registration of a Community trade mark.”

In relation to section 5(2)(b) of the Act, the comparison to be made is with the earlier trade marks as registered.

Goodwill

43) Goodwill arises from business conducted, it is the attractive force that brings in custom. In this case it has been decided that Unibanco has at least made an attempt to create a market. However, there is no evidence that services have actually been provided in the United Kingdom. As has been noted above no figures have been adduced in relation to any business conducted in the United Kingdom. Ms Bowhill admitted that she could not find any such evidence. On the basis of the evidence Unibanco has not established a protectable goodwill in the United Kingdom. In most circumstances establishment of genuine use and establishment of goodwill go hand-in-hand, this is a rare case where owing to the nature of the evidence, and the lacunae in it, the two are divorced. **As goodwill has not been established the claim under section 5(4)(a) of the Act is dismissed.** (Taking into account the breadth of the specifications of the earlier trade marks it is difficult to see that Unibanco’s position in relation to passing-off could be any better than its position in relation to likelihood of confusion.)

Enhanced distinctiveness

44) In her submissions Ms Bowhill made passing reference to the earlier trade marks of Unibanco having enhanced distinctiveness owing to use. This was not pleaded, nor did Ms Bowhill make it clear in relation to which trade mark(s) and in relation to which services this enhanced distinctiveness related. The basis of the evidence certainly does not justify such a claim in either in the European Union or the United Kingdom.

Section 5(2)(b) of the Act – likelihood of confusion

45) Community trade mark registration no 3514866 of the trade mark ITAÚ encompasses the class heading for class 36. The other trade marks that include an accented u have matter that puts them further apart from the application. If Unibanco does not succeed in relation to 3514866 it will not succeed in relation to the other accented trade marks. Consequently, the only accented trade mark that will be considered is 3514866. Ms Clark submitted that in relation to similarity the presence of the accent was of significance. Consequently, United Kingdom registration no 1397672 will also be considered. This registration will be considered on the basis of the specification arising from the proof of use: *investment banking services*.

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

46) The average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”^v. All of the services of the application are likely to be purchased with care and as the result of an educated decision. These are not the sort of services that are likely to be purchased as the result of impulse. Certain of the services of the application will be purchased only by professionals, experts or those with an enormous amount of knowledge:

operation and management of hedge funds; private equity funding; private equity investments; fund raising for industrial and commercial projects.

Investment banking services will be purchased with an enormous degree of care and as the result of a careful and reasoned decision. The Community trade mark specification covers the entire gamut of class 36 services. None of these services are likely to be purchased on impulse. Some will only be purchased by professionals with expertise. Those which are purchased by the public at large will be purchased normally with a great deal of care and consideration; whether it be a savings account or using an estate agent to sell a property. Taking into account the nature of the respective services imperfect recollection will have limited effect; although this may be counterbalanced by the TAU element of TAU CAPITAL and ITAU and ITAU being effectively invented words (see below).

47) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03 the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or

difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

In this case the services will be fundamentally purchased as the result of a visual decision, which is likely to include studying terms and conditions. However, it is noted that certain financial services are operated by the telephone, eg telephone banking and insurance services.

Comparison of services

48) The Community trade mark covers the class heading, all of the services of the application fall within this class heading. (It is noted that there has been a reference to the CJEU in relation to the extent of the cover of the class heading from the appointed person. However, in this case the services of the application clearly fall squarely within the parameters of the class heading. It is also noted that in *4care AG g Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle) (HABM) Case T-575/08*, the GC considered that the class heading encompasses all goods in a class^{vi}.) The respective services are identical.

49) *Financial services; investment management; investment fund services; operation and management of investment funds; operation and management of hedge funds; private equity funding; private equity investments; provision of information relating to financial matters, investments, and monetary matters; consultancy and advice relating to financial matters, investments and monetary matters; fund raising for industrial and commercial projects* can all include^{vii} or be included in *investment banking services*, consequently the respective services are identical.

Comparison of trade marks

50) The trade marks to be compared are:

Earlier trade marks:

ITAU

ITAÚ

Trade mark of the application:

TAU CAPITAL

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

51) CAPITAL is a word that is commonly used in relation to financial services. Three of the significant shareholders of Plc include capital in their names: Visor Capital, Capital Management and Alfier Capital. In *Och-Ziff Management Europe Limited and another v Och Capital LLP and others* [2010] EWHC 2599 (Ch) Arnold J stated:

“106. Counsel for the Defendants submitted that the addition of the word CAPITAL sufficed to avoid a likelihood of confusion. I disagree. As discussed above, CAPITAL is descriptive, or at least non-distinctive, for financial services, and in particular investment services. Given the distinctiveness of the Trade Mark, the identity of the services and the non-distinctiveness of the word CAPITAL, I consider that there is a manifest likelihood of confusion on the part of both types of consumer in the case of all five signs.”

The distinctive and dominant component of Plc’s trade mark is TAU. ITAU does not lend itself to any division into dominant and distinctive components, its distinctiveness rests in the trade mark as a whole. In ITAU the accent is very small compared with the rest of the trade mark, it comes at the end of the word; the distinctive and dominant component of this trade mark is ITAU.

52) Counsel pronounced the trade marks in different fashions. Ms Clark proffered three pronunciations of the trade mark of Unibanco. She submitted that the trade mark might be pronounced as in Portuguese. The average consumer is not a Portuguese speaker, there is also nothing intrinsic in the trade mark to indicate that it has anything to do with a Portuguese speaking country. This submission is rejected. In both of Ms Clark’s other pronunciations the letter i was pronounced as in the word illicit. The second syllable was pronounced as tor and tall. In Ms Bowhill’s pronunciation of Unibanco’s trade marks the first syllable was pronounced as eye and the second syllable as the ow sound in cow. In this pronunciation the stress naturally falls upon the first syllable. It is considered that either pronunciation of the first syllable is feasible and that either pronunciation must be considered. In Ms Clark’s pronunciations the stress falls upon the

second syllable. Ms Clark submitted that Plc's trade mark might be perceived as Tao, as in Taoism. The pronunciation of Tao is as in the word cow. On this basis the pronunciation of the second syllable would be as proffered by Ms Bowhill. It is difficult to envisage that either TAU or the second syllable of ITAU/ITAÚ would be pronounced other than as submitted by Ms Bowhill, giving rise to phonetic identity in relation to this element of Unibanco's trade mark and the first word of Plc's trade mark. If this were not the case, there is no reason or logic that would lead to these elements being pronounced in a different fashion from each other, even if pronounced in an alternative manner. Unibanco's trade marks have two syllables, against the one of the TAU element of Plc's trade mark. In Ms Bowhill's pronunciation the stress falls on the first syllable, in Ms Clark's on the second syllable. Owing to the common syllable, there is a degree of phonetic similarity. Plc's trade mark includes the word CAPITAL but owing to the non-distinctiveness/descriptiveness of this element it will have little impact on the perception of the average consumer.

53) Ms Clark submitted that the accent on ITAÚ was of importance, hence the submissions and arguments in relation to the issue of genuine use of the United Kingdom registration which does not have the accent. Visually, it is not the dominant element and for the average consumer there is no reason that it will change the pronunciation. However, it is an element that is present and is alien to the trade mark of Plc and so must be taken into account. Visually, the trade marks coincide in the presence of the letters TAU. The CAPITAL element will have little effect on the perception of the average consumer of the services.

54) In *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-336/03 the GC stated:

"75 It should be noted in this regard that the attention of the consumer is usually directed to the beginning of the word (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-0000, paragraph 83)."

The trade marks of Unibanco start with an additional and alien letter which gives rise to an alien and additional syllable. In aural use, if Ms Clark's pronunciations are followed, the stress falls on the second syllable of Unibanco's trade marks, which means that in such use, if not in visual use, greater importance may fall upon the second syllable. Ms Bowhill's pronunciation would reverse this position, the emphasis falling upon the first syllable. Visually the beginnings of the trade marks are clearly different and the average consumer will notice this.

55) In *Inter-Ikea Systems BV v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T- 112/06 the GC stated:

"54 As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the

only difference between them is the presence of the letter 'd' in the contested mark and the letter 'k' in the earlier word marks. However, the Court has already held in Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO)* [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them.”

Plc's trade mark includes the word CAPITAL, however, the issues revolve around the TAU element of Plc's trade mark and the trade marks ITAU and ITAÚ, which are short words; although the last two words have twice the number of syllables. Owing to the presence of TAU and TAÚ in the trade marks of Unibanco there is some visual similarity with the trade mark of Plc.

56) Ms Clark submitted that the TAU element of Plc's trade mark had a conceptual meaning. In *Phillips-Van Heusen Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-292/01* the GC stated:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately.”

For the conceptual differences to have effect the meaning of TAU must be clear and specific to the relevant public. There is nothing to indicate that the average consumers of the services of the parties, whether professional or lay, is au fait with the Greek alphabet. There is no evidence that the letter tau has any significance in relation to financial services. Ms Clark had two fall-back positions. She submitted that TAU might be seen as relating to Tao as in Taoism. There is nothing to suggest that the average consumer of the services, either lay or professional, would know of Taoism; Taoism is not used in relation to such services. There is even less reason to think that if a consumer knew about Taoism that he or she would relate it to the invented word TAU. Although in oral use the two words will be identical. The third string to Ms Clark's bow was that the IT beginning of Unibanco's trade marks would be identified with Italy or Italian and so create a conceptual difference. It is difficult to see why the average consumer would decide to break up the trade marks of Unibanco and then decide to give national significance to the IT element. It is not considered that the average consumer of the respective services, whether lay or professional, will give any conceptual meaning to the TAU element of Plc's trade mark; it will be treated as invented word.

57) Similarity is firmly linked to the perception of the average consumer; hence the need to identify the average consumer(s) and the nature of the purchasing process. In this case all of the services will be bought with a good deal of care and research. In the case of *operation and management of hedge funds; private equity funding; private equity investments; fund raising for industrial and commercial projects* the average consumer will either be a professional or someone with a great deal of knowledge and the purchasing process will be particularly careful and educated. In relation to all of the services the perception of the average consumer in relation to the services is such that small differences will allow them to distinguish between trade marks, especially where the trade marks are short, or where the dominant and distinctive component of a trade mark is short.

58) Taking into account the nature of the services and the likely perception of the two groups of consumers, the lay and the professional, bearing in mind that the trade mark of Plc includes the word CAPITAL and the shortness of the conflicting elements, it is considered that there is overall a limited degree of similarity between the respective trade marks. It is not considered that the accent on ITAÚ has any material effect on the similarity between the trade marks.

Conclusion

59) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xii}. In this case the respective services are identical.

60) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xiii}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xiv}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods from those of other undertakings^{xv}. The trade marks of Unibanco are neither descriptive nor allusive of the services in relation to which they are registered. For the average consumer they will be seen as invented words. The trade marks of Unibanco enjoy a good deal of inherent distinctiveness.

61) Ms Clark referred to the absence of confusion in the market place. There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist Newspaper Ltd*

[1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

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

In this case anyone purchasing the services of either party would undertake some research and soon discover that one party is a Brazilian bank whilst the other is an investment fund based in the Isle of Man which specialises in investment in former Soviet states. There is also a clear association of Plc with Investec Asset Management and Spencer House Capital Management LLP. The absence of confusion is not indicative of anything. It is also to be noted that the specification of the trade mark of Plc and that of Unibanco’s Community registration range far more widely than the areas of business in which the parties have been involved. Owing to the nature of the services and the purchasing process this is an area where there could be initial interest confusion but no confusion when a decision for purchasing is made^{xvi}.

62) The careful and educated purchasing decision does not of itself necessarily obviate the likelihood of confusion. In *Apple Computer, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-328/05* the GC stated:

“59 Accordingly, the fact that the relevant public is composed of persons whose level of attention may be considered high is not sufficient, given the fact that the signs at issue are almost identical and the similarity between the goods in question, to exclude the possibility that that public might believe that the goods and services concerned come from the same undertaking or, as the case may be, from economically-linked undertakings (GALZIN, paragraph 48 above, paragraph 80).”

In *Honda Motor Europe Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-363/06* the GC stated:

“62 Furthermore, although the relevant consumer’s high degree of attention may, admittedly, lead him to be aware of the technical characteristics of car seats in order that he may ensure their compatibility with the relevant car model, it should be borne in mind that, taking into account the identity of the goods concerned, the similarity of the conflicting marks and the high distinctive character of the earlier trade mark, the fact that the relevant public may consist of professionals is not sufficient to rule out the possibility that they may believe that the goods come from the

same undertaking or, as the case may be, from economically-linked undertakings (see, to that effect, *ALADIN*, paragraph 100). While the relevant public's high degree of attention implies that it will be well informed about vehicle seats and may thus avoid making mistakes regarding the compatibility of those seats with the relevant car model, it cannot prevent that public from believing that the seats bearing the MAGIC SEAT trade mark are part of a new range of products developed by the well-known Spanish car manufacturer Seat."

63) TAU, ITAU and ITAÚ are, for the average consumer, invented words and so there is no conceptual hook upon which to hang the memory; this will increase the likelihood of confusion. (It continues to be borne in mind that the trade mark of Plc is TAU CAPITAL and not TAU on its own.) Taking into account the identity of the services, the distinctiveness of the earlier trade marks, the absence of any conceptual hook, the similarities of the trade marks, it is decided that, despite the nature of the purchasing processes, that there is a likelihood of confusion in respect of all the services of the application in relation to both the United Kingdom and the Community trade marks that have been considered in this decision. The application is to be refused in its entirety.

Costs

64) Unibanco having been successful it is entitled to a contribution towards its costs. Costs are awarded on the following basis:

Opposition fee:	£200
Preparing a statement and considering the other side's statement:	£500
Preparing evidence and considering the evidence of Plc:	£1,000
Preparation for and attendance at a hearing:	£1,500
Total	£3,200

Tau Capital Plc is to pay Itaú Unibanco SA the sum of £3,200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18 day of January 2011

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

ⁱ Section 6A of the Act reads:

“(1) This section applies where –

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

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

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

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

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

Under Section 100 of the Act the onus is upon the proprietor of the earlier trade mark(s) to show genuine use:

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

ⁱⁱ See by analogy *Makro Zelfbedieningsgroothandel CV and others v Diesel SpA* Case C-324/08:

“35 In the light of the foregoing, the answer to the question referred is that Article 7(1) of Directive 89/104 must be interpreted as meaning that the consent of the proprietor of a trade mark to the marketing of goods bearing that mark carried out directly in the EEA by a third party who has no economic link to that proprietor may be implied, in so far as such consent is to be inferred from facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market in that area which, in the view of the national court, unequivocally demonstrate that the proprietor has renounced his exclusive rights.”

ⁱⁱⁱ *Animal Trade Mark* [2004] FSR 19:

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

^{iv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

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

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

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

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

^{vi} “26 Es ist festzustellen, dass, wie das HABM ausführt, die von der Anmeldemarke erfassten Waren jeweils Teilmengen der von der älteren Marke erfassten Warenkategorien darstellen. Es kann nämlich nicht bestritten werden, dass die von der Klägerin beanspruchten „Desinfektionsmittel für hygienische Zwecke“ zu den von der älteren Marke beanspruchten „Desinfektionsmitteln“ gehören. Zu den „Reinigungs- und Aufbewahrungslösungen für Kontaktlinsen; Benetzungs-, Abspül- und Neutralisationslösungen und -tabletten für Kontaktlinsen“ ist auszuführen, dass diese Waren, die von der Klägerin selbst in Klasse 5 eingereicht werden, notwendigerweise zu den von der älteren Marke geschützten Waren gehören, die den gesamten Titel dieser Klasse abdeckt. Dieser Einreihung der in Rede stehenden Waren in Klasse 5 ist im Übrigen zu folgen, da Reinigungsmittel für Kontaktlinsen unter der Basis-Nr. 050365 ausdrücklich unter den Waren in dieser Klasse in der „Alphabetischen Liste der Waren, geordnet nach Klassen“ in der Klassifikation von Nizza aufgeführt sind. Daher braucht nicht im Einzelnen geprüft zu werden, zu welcher Art von Waren der unter dem Titel der Klasse 5 genannten die von der Klägerin beanspruchten Waren gehören, da jedenfalls nicht gesagt werden kann, dass ein Teil der Waren in dieser Klasse nicht zumindest einer der im Titel genannten Warenarten entspricht.”

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

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

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

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

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

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

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

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

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

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

^{xvi} See *Och-Ziff Management Europe Limited and another v Och Capital LLP and others* [2010] EWHC 2599 (Ch).