

o/037/06

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2122181
STANDING IN THE NAME OF CPM UNITED KINGDOM LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER NO 81496 BY
INTEL CORPORATION**

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**IN THE MATTER OF Registration No 2122181 standing
in the name of CPM United Kingdom Limited**

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**IN THE MATTER OF a request for a declaration of
Invalidity thereto under No 81496 by Intel Corporation**

BACKGROUND

1. The trade mark INTELMARK was applied for on 31 January 1997. The registration procedure was completed on 5 September 1997. The mark stands registered in the name of CPM United Kingdom Limited (CPM) for a specification of services which reads “Marketing and telemarketing services” (Class 35).
2. On 31 October 2003 Intel Corporation (Intel) applied for a declaration of invalidity against this registration. Intel is the proprietor of a large number of UK and CTM registrations. Brief details of the marks relied on are set out in the Annex to this decision.
3. Intel says that it first began using the INTEL mark in the United Kingdom in 1970 both as its corporate name and as a trade mark. It goes on to say that:

“Prior to 31 January 1997, the INTEL mark was (and still is) used on or in association with virtually all of Intel’s goods and services, including but not limited to microprocessors, motherboards, memory devices, networking chips, hardware and software for enabling wireless communications, and optical components – building blocks that are the main “ingredients” of computers, servers and networking and communications products to diverse industries. As a result of the enormous efforts of Intel Corporation and its licensees in the UK, the INTEL marks have appeared for many years prior to 31 January 1997 (and still appear) on the packaging of Intel Corporation’s products, products containing components manufactured by Intel Corporation and on all manuals therefor. This was (and is) part of Intel Corporation’s innovative campaign to market its products directly to consumers.

Prior to 31 January 1997 the INTEL Marks were (and still are) also seen in the UK in television and print advertising; in stores at the point of sale; in catalogues; in promotional advertisements; in circulars and newspapers, on billboards and on signs and in a variety of advertising on the Internet.

Prior to 31 January 1997 the INTEL Marks were (and still are) also prominently displayed throughout Intel Corporation’s web site (accessible via the intel.co.uk domain name) and in association with specific computer software and Internet services. The INTEL Marks were (and are) seen by consumers in the UK in a variety of contexts, including retail, gaming and web

site creation/searching. Furthermore, the INTEL Marks were (and still are) used prominently on a variety of printed materials available in the UK, including investor fact sheets and annual reports.

Prior to 31 January 1997 Intel Corporation used (and continues to use) the INTEL Marks in the UK on products outside the computer field. Prior to 31 January 1997 Intel Corporation sold (and continues to sell) a wide variety of non-computer products branded with the INTEL Marks; clothing, desk accessories, clocks, jewellery, dolls and novelty items. These are not merely ancillary uses. Sales of these non-computer related items bearing the INTEL Marks result in a significant source of income for Intel Corporation in the UK.”

4. As a result it is said that the INTEL marks are famous and well known in the UK and have a reputation with respect to the INTEL goods.

5. Objection is taken under two heads:

- (i) under Section 47(2)(a)/5(3) – on the basis that use of CPM’s mark without due cause would take unfair advantage of and be detrimental to the distinctive character or repute of Intel’s earlier trade marks. The objection is taken on the basis that these particular trade marks are registered for dissimilar goods and services;
- (ii) under Section 47(2)(b)/5(4)(a) in that use of INTELMARK would amount to passing off.

6. Intel adds that it became aware of the CPM registration and use in or about April 2002.

7. CPM has filed a counterstatement denying the above grounds (an amended version is dated 18 May 2004). CPM admits the reputation possessed by the INTEL mark as of 1995 in relation to computers and computer-linked products but denies, or denies the relevance of, the other claims made in the statement of grounds. Furthermore it is said that use of the INTEL marks has not been co-extensive with the scope of Intel’s registration.

8. In relation to the respective marks CPM admits that its mark is similar to INTEL but denies that it is similar to INTEL INSIDE and device. It admits that dissimilar goods/services are involved.

9. Further, “it is denied that in absence of any confusion arising between the applicant’s and proprietor’s respective goods and services since the date the proprietor used the INTELMARK in association with the goods/services the subject of its registered trade mark since as early as early 1992, any such calling to mind or establishing a link with the INTEL Marks (the fame associated with which is denied) is denied.”

10. In relation to the claim to detriment to the distinctive character of the INTEL marks it is said that there are over 100 trade marks incorporating that word on the UK Register.

11. In the light of CPM's use of INTELMARK since 1992 it says that it has 'due cause' for the purpose of Section 5(3).

12. CPM adds that the applicant was aware of the use made of the INTELMARK mark since at least as early as 1994 for two reasons:

- (i) "In or about 1994 the proprietor was introduced to applicant by one Tony Cogdell an employee of the applicant at that time because the applicant was concerned with soliciting the services of a company to provide telemarketing and fulfilment services which the proprietor responded to in 2 stages, firstly by attending a credentials presentation meeting and secondly by a formal written tender sent to the applicant by the proprietor on its letter headed paper which bore its trade mark INTELMARK. On receipt of the said tender the applicant visited the proprietor's premises located at its Thames site. Individuals involved in this exchange between applicant and proprietor who represented the applicant were by one Ian Jones (Customer Service Director) and one Anne Marie Mulder (Project Leader)."
- (ii) The parties' marks have appeared side by side in publications in which the applicant has been referred to and/or placed advertisements. Two such instances are cited – an article dated 2000 in a publication called Invest UK and a computer magazine entitled ZDNet dated 21 July 1997 which refers to database research undertaken by INTELMARK for Compaq UK alongside an Intel Inside advertisement.

13. As a consequence it is said that the applicant has acquiesced for a continuous period of 5 years in the use of a registered trade mark.

14. The above is an abridged version of the fairly lengthy statement of grounds and counterstatement but is sufficient to set out the parameters of the action.

15. Both sides ask for an award of costs in their favour.

16. Both sides filed evidence. The matter came to be heard on 10 January 2006 when the registered proprietor was represented by Mr M Engelman of Counsel instructed by Markforce Associates and the applicant for invalidity by Mr J Mellor of Counsel instructed by Howrey LLP.

17. A large volume of evidence has been filed by both sides in this case. A considerable portion consists of submission and commentary in relation to the other side's evidence. I do not propose to record such submissions in the summary that follows but will take it into account in reaching my decision. For convenience the evidence summary that follows deals with the material filed under three main heads - Intel's evidence of use, CPM's evidence of use and the contacts between the two companies (or in CPM's case its predecessors in title).

Intel's Use

18. The principal evidence comes from Graham Fred Palmer, the UK country marketing manager for Intel United Kingdom. He is responsible for marketing campaigns and brand promotions and has been with Intel since 1988. Intel was founded in 1968 to build semiconductor memory products and in 1971 created the world's first manufacturable microprocessor. This technology is now at the heart of a wide range of consumer and industrial products involving computerised applications. The registered proprietor has acknowledged Intel's reputation in relation to computer and computer linked products. In terms of Intel's wider reputation Mr Palmer says:

“ 6. Since its introduction of microprocessors to the world Intel has expanded its business to offer numerous additional products and services related to computers, communications and internet and e-commerce technologies. For instance, Intel's business expanded to include software, operating systems and compilers in 1978, networking peripherals in 1982, workstations and servers in 1984, motherboards in 1985, flash memory and chip sets in 1990 and imaging, graphics and digital imaging products and services in 1991. Throughout the 1990s, Intel's products played a large part in the internet “boom”. As an innovator, Intel has continued to expand its products and services and create new products throughout the years to keep up with an evolving and expanding marketplace.

7. Concurrently, Intel has also expanded its business to include branded consumer products such as personal computer accessories, publications, software, clothing items and accessories, luggage and travelling gear, scientific instruments, writing implements, desk accessories, clocks, watches, jewellery, dolls and novelty items.

8. In conjunction with the expansion of its consumer product lines, Intel has also expanded the services it offers to include educational services, training services and computer consulting services in addition to a broad range of computer, internet, communication and e-commerce related services.”

19. Intel's UK turnover (excluding sales by licensees) grew from US\$ 138 million in 1990 to US\$ 1,585 million in 1997. Annual reports for years between 1992 and 1997 are exhibited at GFP1A to GFP1E.

20. Mr Palmer goes on to set out details of Intel's various UK and CTM registrations and use of the Intel marks in relation to computer software and internet use and printed materials. So far as non-computer products are concerned he says:

“22. Intel also uses the INTEL Marks on products beyond computers. For many years, Intel has sold a wide variety of non-computer products, all of which were available before 31 January 1997 at Intel's online store, SHOP INTEL (more recently renamed THEINTELSTORE.COM). This is a revenue producing business that is more than merely selling promotional items. The products include clothing, desk accessories, clocks, jewellery, dolls and novelty items. There is now produced and shown to me at Exhibit GFP2

catalogues entitled “THE UNIQUELY INTEL SHOP” and “THEINTELSTORE.COM” which reflect the range of other goods that the INTEL Marks are used on. As discussed above, prior to 31 January 1997 these products could be purchased by consumers in the United Kingdom through Intel’s websites including www.intel.co.uk and www.shop-intel.com and more recently from www.theintelshop.com”.

21. In addition to being prominently displayed on Intel’s website, third party manufacturers, integrators and resellers of computer systems are permitted to use the INTEL mark under various co-branding and licensing programmes and in their advertising thus generating further goodwill.

22. During the years 1995 to 1997 Intel itself spent US\$ 12 million, US \$ 11 million and US \$ 8 million respectively in direct advertising and promotion in the UK. Further significant sums were reimbursed to licensees in relation to co-advertising costs. Examples of advertising placed or sponsored by Intel or its licensees are exhibited at GFP3. So far as I can see this material relates to Intel’s core microprocessor business. As further evidence of Intel’s reputation Mr Palmer exhibits a volume of press articles at GFP4. He adds that Intel protects against misuse of its renowned INTEL Marks by entering into licence arrangements with authorised users of these trade marks. The licensee program and user guidelines help to ensure that the INTEL Marks maintain their high quality image and to ensure that a consistent corporate image is maintained. In addition, Intel maintains a password protected website for its licensees.

23. Finally Mr Palmer comments on the registered proprietor’s mark and the consequences of Intel’s reputation. He believes that Intel discovered the existence of the INTEL MARK registration on or about 19 April 2002 during a sweep of the UK Trade Marks Register. Copies of exchanges of correspondence between the parties’ professional representatives after that date are exhibited at GFP6.

CPM’s evidence of use of INTEL MARK

24. The main evidence in this respect comes from Paul Woolley, the Chief Operating Officer of CPM United Kingdom Limited.

25. Mr Woolley firstly sets out the background to the creation of the INTEL MARK mark and certain corporate changes that in turn had a bearing on ownership and use of the mark during the relevant period up to 31 January 1997. As these corporate changes have made interpretation of the evidence somewhat more difficult it will be convenient to set out in full paragraphs 3 to 5 of Mr Woolley’s witness statement.

“3. Rapp & Collins, (“R&C”), a direct marketing agency was the predecessor in title to the telemarketing business which was promoted by CPM under the INTEL MARK brand name. Stephanie Rouse, whose has also filed a statutory declaration in these proceedings, together with Ian Rawlins commenced that telemarketing business in Newbury under the name Newbury Marketing (“NM”). One of its first clients was Calor Gas in 1988 and in 1989 Renault UK to which NM offered telemarketing services and mail order fulfilment services. From 1989, American Airlines, Thorn EMI, Ventura

Software and Apple Computers became clients of NM. R&C and NM then became part of Omnicom Inc, a United States based marketing conglomerate in late 1990, as did CPM, which had been a wholly owned subsidiary of Omnicom, Inc since 1985. I have worked as a Director in Omnicom businesses since August 1994 and have held the position of Chief Operating Officer of CPM for five years.

4. In consequence of the common ownership of CPM and NM by Omnicom Inc., the latter moved to the offices of the former and in 1991, CPM United Kingdom Limited (previously called CPM International Limited) took over the business of NM. In early 1992, CPM held an employee competition to find a new name for the telemarketing business and 2 employees of CPM, Robin Halsall and Sue Graham, came up with the name INTELMARK, short for Integrated Telephone Marketing. From that point on all telemarketing and other services offered by CPM were under the name INTELMARK.

Corporate Mergers & Acquisitions

5. In early 1995, the services offered by an entity Granby Marketing came under the auspices CPM, and its activities were also branded under the INTELMARK name. On 1 January 1997, CPM United Kingdom Limited then formally sold the INTELMARK business to Granby Marketing Services Limited, (“Granby”), (which was subsequently renamed sequentially Granby Marketing Group Limited, Alcone Marketing Group Limited and Alcone UK Ltd). Later, Granby became a subsidiary of CPM International Ltd. Alcone Marketing Group Limited (as it was known then) sold the INTELMARK business back to CPM United Kingdom Limited, the original owners.”

26. The services offered by CPM and its predecessors under the INTELMARK name include sales lead generation, direct sales support, customer service support services, response handling, consumer care lines, sales force support, crisis management, database management and fulfilment. It enjoys some high profile clients such as Kellogg’s, Rail Track, BT Cellnet and Barclays Bank. The following exhibits have been supplied in support of the claimed activities under the mark. I comment in passing that this material has been subject to detailed analysis and criticism by Intel particularly as to the mark used and dates. For the moment I will simply record the exhibits:

- PW1 - a brochure (from around 1995) illustrating the company’s services
- PW2 - marketing materials around the period 1997-2000
- PW3 - testimonials and case studies for major clients
- PW4 - a customer service document entitled ‘Value Added Customer Care – The Competitive Advantage’
- PW5 - campaign activity sheets giving state of play reports with various actual or potential clients.

- PW6 - a tender document for the Co-operative Bank which appears to date from sometime in 1996.
- PW7 - a certificate of membership of The Direct Marketing Association (UK) Ltd (but relating to the year 2000/1).
- PW8 - a CPM Intelmark Business Development Plan document dated October 1995 showing 1994 turnover of £1.6 million and a 1995 forecast of £2.4 million.
- PW9 - a copy of a report prepared for Intelmark by Strategic Management Resources in mid 1996 to assist with future business strategy.
- PW10 - a copy of a letter dated 19 July 1996 from Sony confirming that they were becoming another Intelmark account.
- PW11 - a similar letter from Texas Instruments dated 27 November 1996.
- PW12 - a page from Telemarketing magazine showing Intelmark in 16th place in a league table of telemarketing companies by turnover in 1995 (£33 million).
- PW13 - a copy of a client list of UK companies from 20 January 1997 when Granby bought the INTELMARK business from CPM International Ltd. Also contained in this exhibit is a list of CPM employees (75) who were supporting the services supplied under the INTELMARK brand.
- PW14 - a certificate verifying a Telemarketing Award to Intelmark in 1997.
- PW15 - an article on INTELMARK in The Call Centre Management Magazine.
- PW16 - a selection of articles mainly from marketing magazines about the services provided under the mark INTELMARK.
- PW17 - a copy purchase order bearing the INTELMARK brand.
- PW18 - a sample tender document showing the mark.
- PW19 - a flier for the Childline Appeal 1997 referring to Intelmark's support.
- PW20 - a press release dated 12 June 1997 launching Intelmark's new call centre which highlights the business association with Childline.

PW21 to 26 - other material relating to the business but mainly after the material date.

PW 27 & 28 - copies of the material referred to in the counterstatement suggesting that the parties' names have appeared in close proximity in the press.

PW 29 & 30 - copy correspondence from Intel's professional representatives relating to the claims against Intelmark

PW 31 - the results of a limited search of the UK Companies House Register showing numerous companies prefixed with the word or element 'intel', 'intell' and 'inntel'.

27. Mr Woolley also summarises turnover under the INTELMARK brand as being.

YEAR	TURNOVER MILLION
1991	£1.12
1992	£1.43
1993	£1.5
1994	£2.5
1995	£3.3
1996	£5.9
1997	£8.8

28. Turnover continued to grow significantly after 1997. The sums spent on marketing the brand are given as :

YEAR	£'000
1991	£50
1992	£50
1993	£50
1994	£65
1995	£70
1996	£80
1997	£80

29. This evidence drew a lengthy and detailed critique from Mr Palmer which was in turn responded to by Mr Woolley. For reasons which will become apparent below it is not necessary to record the ebb and flow of argument at this point. I have, however, read all this evidence and draw certain conclusions later in the decision having considered the matter in the light of Counsels' submissions at the hearing.

Contacts between the parties

30. The parties' evidence which deals with or touches on the above has been filed as either evidence-in-chief, evidence-in-reply or additional evidence. This evidence is summarised below, and, for the sake of convenience, is shown in the order it was received by the Trade Marks Registry.

CPM's evidence

31. This consists of two witness statements. The first, dated 13 May 2004, is by Stephanie Rouse. Ms Rouse explains that she has worked for CPM since March 2003 as a Contact Centre Director, and currently as Commercial Director. Prior to that she worked for the company in various roles between 1989 to 1995, including from 1991, as General Manager Intelmark. She confirms that she is authorised to make her statement on CPM's behalf, adding that the information in her statement comes from her own knowledge and from a range of sources which, where appropriate, she indicates. The main points emerging from her statement are as follows:

- that in 1994 Intelmark were introduced to Intel Corporation by Tony Cogdell (an employee of Intel who had previously worked for Intelmark);
- that at that time, Intel were looking for a company to provide telemarketing and fulfilment services;
- that Intelmark pitched for the business in two stages. These stages were: (i) a credentials presentation meeting (at which business cards were exchanged) and (ii) a bid to Intel on their own letter headed paper;
- that on receipt of the bid, representatives from Intel visited Intelmark's Thame site;
- that as a result of security issues, Intel's business was won by a company called Brann;
- that Intelmark's contacts at Intel included Ian Jones a Customer Services Director and Ann Marie Mulder a Project Leader;
- that in light of the above, Ms Rouse was surprised that Intel allege that they only became aware of the registration in suit in April 2002;
- that she finds it difficult to understand why someone at Customer Services Director level would not have objected, if concerned, at the use of her company's name.

32. The second witness statement, dated 14 May 2004, is by Richard Pamment. Mr Pamment explains that he has worked for CPM since January 2002 as a Business Development Manager and is currently a Group Client Service Manager. Between 1993 to 1997 he was employed by the company in various roles, including from 1997, General Manager Intelmark. He confirms that he is authorised to make his statement on CPM's behalf, adding that the information in his statement comes from his own

knowledge and from a range of sources which, where appropriate, he indicates. The main points emerging from his statement are as follows:

- that in 1994 in his capacity as Business Development Manager, he was involved in pitching for a piece of business (to provide telemarketing and fulfilment services) to Intel;
- that he led the initial credentials presentation meeting and prepared the proposal document which included references to Intelmark throughout and which was sent on his company's headed paper;
- that after receiving their bid, he recalls Intel visiting his company's Thame site.

33. He confirms that Intel's business was ultimately won by a company called Brann, and names the same individuals as Ms Rouse as among his company's contacts at Intel.

Intel's evidence in reply

34. This consists of two witness statements. The first, dated 17 July 2004, is by Anthony John Cogdell. Mr Cogdell explains that he is the Enterprise Computing Manager for Intel Corporation at Intel Corporation UK Limited, which is a wholly owned subsidiary of Intel Corporation. He states that he has been employed by Intel in the UK since November 1994 and has held his current position since 2000. He confirms that he is authorised to make his statement on Intel's behalf, adding that he has been given access to Intel's records and that the information in his statement are, unless specifically stated otherwise, from these records or his own personal knowledge. The main points emerging from his statement are as follows:

- that he worked for CPM as an IT Manager from 1991 to November 1994, and that his job involved supporting the company's computer equipment and office systems. During that time he reported directly to the company's Board;
- that whilst an employee of CPM, he has no recollection of ever coming across the use of the word INTELMARK in respect of any aspect of the CPM business. He was, he says, only aware of the company trading as CPM and was only aware of the company offering its services under the CPM name;
- that he knew Ms Rouse whilst at CPM. She was, he says, one of his peers and that he, Ms Rouse and the Warehouse Manager reported to the Operations Director. At the same time, Ms Rouse was, he says, involved in the telemarketing business within CPM;
- that in November 1994, he left CPM and joined Intel Corporation UK in Swindon. He joined as a Project Manager within the IT Group and reported to an Applications Manager who in turn reported to the IT Director;
- that he was not, and until he was asked to give evidence in these proceedings, had never been involved in any aspect of Intel's trade marks or branding;

- that sometime in late 1994 or early 1995, he recalls that the Intel Customer Services group within Intel (ICS) wanted to set up a call centre in the UK to handle customers calls. It was his responsibility to assess and advise on the technical capabilities of any call centre that Intel may use;
- that as he had worked for CPM, he had some knowledge of telemarketing and call handling in the UK. As a result, he suggested to ICS a couple of companies he thought may be appropriate one of which was CPM;
- that although he does not recall who he spoke to at ICS regarding CPM, it would, he says, most likely have been Stephen McKinnon or Rick Skett. He recalls that Intel considered a number of companies in the UK that had relevant telemarketing and call-handling experience;
- that he was invited to attend a meeting with CPM organised by ICS to assess the technical capabilities of CPM, and that while he cannot recall exactly when this meeting took place, he believes that it was in early 1995;
- that the meeting took place at Intel's offices in Swindon, and that for CPM, Ms Rouse and another CPM employee (whose name he cannot recall) attended. That he and (as far as he can recall) two other Intel employees attended. He recalls that Ms Mulder attended but cannot recall the name of the other Intel employee;
- that he does not recall receiving any formal proposal from CPM. He says that had he received a written proposal he would have filed it. Having reviewed his files he does not have a copy of any CPM proposal document;
- that he has no recollection of ever having visited CPM's site in Thame after he became an Intel employee and he has no knowledge of this alleged site visit;
- that whilst working at CPM he was not aware of CPM making any use of the name INTELMARK. It was not, he says, on the headed paper that he used and he never saw it being used in this way or at all. In addition, during the meeting with CPM in Swindon, he was not, he says, made aware of CPM offering its telemarketing or call-handling services or any services under the INTELMARK name;
- that he only became aware of CPM's alleged use of INTELMARK recently, when Ms Ronit Alcheck, an attorney at Intel Corporation in California told him about these proceedings.

35. The second witness statement also dated 17 July 2004, is by Ian Nicholas Jones. Mr Jones explains that he has been with Intel in the UK since January 1990 and is currently the EMEA Channel Operations Manager for Intel Corporation at Intel Corporation UK Limited. He is responsible for Reseller Channel operations in the area Intel refers to as "EMEA", being Europe, the Middle East and Africa. He confirms that he is authorised to make his statement on Intel's behalf, adding that he has access to Intel's records and that the information in his statement are, unless specifically stated otherwise, from these records or his own personal knowledge. The main points emerging from his statement are as follows:

- that he joined Intel in 1990 and that between 1990 and 1996 he was a Customer Quality Engineer in the European Quality Support Centre in Swindon. His responsibilities were technical and involved support for customer manufacturing and quality programs; it was not, he says, a management role;
- that in 1996 he moved into a management role and in 1998 he took over management of the Customer Technical Support team for EMEA;
- that he was not a Customer Service Director in 1994 and has never been a Customer Service Director at Intel or elsewhere;
- that he has no recollection of ever attending a meeting with CPM at Intel's offices at Swindon or ever visiting a company in Thame and does not recall having ever met Ms Rouse or Mr Pamment or having been provided with a proposal document from CPM or Intelmark or any letter on headed paper showing the INTELMARK mark;
- that he only became aware of CPM's alleged use of INTELMARK when he was recently made aware of these proceedings by the same Ms Alcheck mentioned above; prior to which, he was not aware of a company called CPM;
- that he became aware of Brann in 1999.

CPM's further evidence

36. This consists of four witness statement. The first, dated 15 December 2004, is by Mark Benson. Mr Benson explains that he has worked for CPM since 1988 as a Technical Manager and Developer within CPM's Information Technology department, adding that Mr Cogdell was his line manager during the entire time of his employment at CPM. He confirms that he is authorised to make his statement on CPM's behalf, adding that the information in his statement comes from his own knowledge and from a range of sources which, where appropriate, he indicates. The main points emerging from his statement are as follows:

- that one of his main responsibilities over the period December 2003 to the present day has been the management of CPM's IBM iSeries system, which captures, processes and reports information for CPM's Face-to-Face Field Marketing activities;
- that having noted that Mr Cogdell claims not to recall coming across the brand name InTelMark, he has investigated his company's IBM iSeries computer system for the earliest indication of the InTelMark brand's existence. He comments that this would not coincide with the date the brand was first used by his company because the IBM iSeries was installed after that date;
- that the object of particular interest is, he says, a library object called ITMFILES, the first three characters of which i.e. ITM denote the system's acronym for the trade mark InTelMark. The FILES portion simply denoting that the library object

contains database files. This is, he says, consistent with his company's naming conventions (both then and now) for the majority of their database libraries;

- that exhibit MB1-1 is a print out of the screen which he brought up which shows a creation date of this library object as 20 April 1994 at 9.37am. He explains that at that time, his company would have been running an IBM AS400 (later rebranded by IBM as the iSeries). He explains that objects that existed from that point in time and that have been migrated through subsequent replacements of that machine still retain their original creation attributes i.e. the creation information depicted on the screen-shot will not have changed since the library object was created;
- that in his view this demonstrates that the IT department were creating files associated with the InTelMark brand, and that to this day ITM denotes within the development team the word InTelMark. He says that he cannot see how this library object can exist with that creation date unless the InTelMark brand was also known within the department at that time;
- that he has interrogated his company's database designed to track and manage database files that are on the system. It includes, he says, five entries for database files that were created during 1994 within the ITMFILES library and details of these files are provided;
- that based on his investigations, he concludes that the InTelMark brand must have been known in IT Development, at the latest, by April 1994.

37. The second witness statement, dated 17 December 2004, is by the same Stephanie Rouse mentioned above. The main points emerging from Ms Rouse's second statement insofar as contact between the parties is concerned are as follows:

- that Mr Cogdell accepts that a meeting took place between CPM and Intel in late 1994, early 1995;
- that he accepts that Ms Mulder was involved on behalf of Intel and that he acknowledges that there was another Intel employee present but claims that he cannot recall their name;
- that Mr Cogdell neither accepts nor denies that a Mr Ian Jones was one of the Intel contact personnel involved in CPM's pitch to Intel;
- that Intel would prefer to rely on the evidence of Ian Nicholas Jones, who whilst having a similar name to the Ian Jones involved in the pitch, is clearly not the same person. In Ms Rouse's view, this was done in order to contradict the facts associated with that meeting put forward by her and Mr Pennant;
- that it is wholly inconceivable that Mr Cogdell having worked for CPM for 3 or 4 years could not have known of the company's brand name which was created in early 1992 and was used continuously until Mr Cogdell left in November 1994, while completely unconnected third parties knew of it; as evidenced by the press articles exhibited to Mr Woolley's first witness statement.

38. The third witness statement, dated 3 December 2004, is by Hilary Shepherd. Ms Shepherd explains that she worked for CPM from December 1993 as an Account Manager and Account Director becoming Client Service Director before leaving the company in 1999. Ms Shepherd states that she is no longer associated with CPM nor the Omnicom group of companies. She confirms that she is authorised to make her statement on CPM's behalf, adding that the information in her statement comes from her own knowledge and from a range of sources which, where appropriate, she indicates. The main points emerging from her statement are as follows:

- that whilst working as an Account Manager she became a member of the Client Service Team. In that role, she was involved with direct client handling and reported to Stephanie Rouse. She became an Account Director in 1995 and in 1997 Client Service Director for both of Intelmark's sites i.e. Thame and Warrington;
- that the company that employed her was CPM United Kingdom Limited which operated under the house mark CPM and the sub brand InTelMark, the telemarketing brand/arm of CPM. She says that initially the telemarketing arm was marketed under a combination of both names but this then became shortened to InTelMark prior to the merger of that business with Granby Marketing Services Limited (later Alcone Marketing Group Limited) which continued to run the telemarketing business under the name InTelMark;
- that in the early years, CPM Intelmark inherited many of the existing clients of Newbury Marketing. Thereafter, CPM InTelMark which became InTelMark had established itself independently and was, in her view, within the top ten or so telemarketing brands and possessed an extremely high profile;
- that when she joined the company Mr Cogdell was head of IT and had a number of people working for him including Mr Benson. Ms Shepherd says that she finds it difficult to accept that Mr Cogdell would not have known that CPM was operating its telemarketing division as CPM InTelMark or InTelMark because, in her view, knowledge of the brand was widespread within CPM. Furthermore, she says that all parts of CPM would have known of the brand because they were all on the same site, including IT services, the department in which Mr Cogdell worked, adding that more often than not, InTelMark used the same IT team that serviced CPM;
- that during her employment with CPM she was aware of the pitch made by InTelMark to Intel, but prior to that pitch in 1994 she had never heard of Intel nor the Intel trade mark;
- that whilst she was not involved in the pitch, she does recall that Stephanie Rouse was involved and that the pitch concerned the supply of InTelMark call centre services to Intel to enable the telephone ordering of components from Intel.

39. The fourth witness statement, dated 4 December 2004, is by Robin Halsall. Mr Halsall explains that he currently works for Hillhampton Associates Ltd having previously worked for CPM from July 1991 as an Associate Director – Business

Development then as a Client Service Director before leaving the company in August 2004. He confirms that he is authorised to make his statement on CPM's behalf, adding that the information in his statement comes from his own knowledge and from a range of sources which, where appropriate, he indicates. The main points emerging from his statement are as follows:

- that he was the principal member of the team that came up with the name InTelMark in late 1992 and early 1993;
- that prior to the adoption of the mark InTelMark, the CPM telemarketing division was known as Newbury Marketing;
- that at the time that he was involved in the creation of the name InTelmark, he was Head of Client Management for the telemarketing division as well as being Associate Director – Business Development for CPM. The concept behind the InTelmark name was, he says, the portmanteau of prefixes for “integrated telephone marketing”;
- that Richard Pamment was also involved in the development of the design aspects of the trade mark InTelMark when he joined the business in January 1993;
- that following its adoption, the InTelMark name was well known throughout the CPM UK business and as a result, he cannot understand how Mr Cogdell can say that he had not heard of the brand when it appeared so often in the company's newsletter CPM Field Marketing.

Intel's further evidence

40. This consists of two witness statement. The first, dated May 2005, is by the same Anthony John Cogdell mentioned above. The main points emerging from his second statement are as follows:

- that having read the second witness statements of Mr Woolley and Ms Rouse and the witness statements of Ms Shepherd, Mr Halsall and Mr Benson, nothing contained in those statements causes him to change the evidence he gave in his first statement;
- that he has no recollection of CPM making any use of the name INTELMARK during the period 1991 to 1994 when he worked at CPM.

41. The second witness statement, dated 25 May 2005, is by Christine Joann Payseur. Ms Payseur explains that she is an Administrative Assistant at Intel Corporation in the United States and is responsible for providing administrative support to the Finance Development Organisation and Legal HR members. Her responsibilities include accessing and gathering employee data from her company's HR employee database. Ms Payseur has been with Intel since September 1997. She confirms that she is authorised to make her statement on Intel's behalf, adding that she has access to Intel's records and that the information in her statement comes from these records or her own knowledge unless stated otherwise. The main points emerging from her statement are as follows:

- that she searched the relevant records of employees of Intel throughout the world and that the only Intel employee she could find with the name Ian Jones who was employed by Intel in the UK during the period referred to during 1994, was Ian Nicholas Jones who has Worldwide identification No. 10101734. This Ian Jones remain employed by Intel in the UK and is the same Ian Jones mentioned above;
- that her searches located no other employees named Ian Jones in the employee records of Intel for 1994.

42. That completes my review of the evidence to the extent I find it necessary at this stage.

DECISION

43. At the hearing Mr Mellor indicated that the Section 5(4)(a) ground was being dropped leaving Section 5(3) as the sole remaining ground of objection.

44. In response to this action the registered proprietor relies on the statutory defence of acquiescence under Section 48 of the Act. As a successful claim under that head disentitles an applicant from pursuing an invalidity action it is appropriate to consider this matter first.

45. Section 48 reads:

“48.-(1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right –

- (a) to apply for a declaration that the registration of the later trade mark is invalid, or
- (b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used,

unless the registration of the later trade mark was applied for in bad faith.

(2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark.”

46. I am not aware of any relevant case law from the UK Courts or elsewhere on the proper approach to this statutory provision. Mr Mellor relied on *Dyson Ltd v Qualtex (UK)Ltd*, [2005] RPC 19, which in turn takes as its starting point a passage from *Taylor Fashions Ltd v Liverpool Victoria Friendly Society* [1982] 1.Q.B. 133. The relevant passages in the *Dyson* case start at paragraph 315 and run through to 336. The problem with approaching the matter through these cases is that neither deals

with a statutory acquiescence provision. *Taylor Fashions* was a case concerning leases and *Dyson* concerned unregistered design right.

47. Section 48 of the Act implements Article 9 of First Council Directive 89/104 approximating the laws of Member States of the European Community relating to trade marks. The issue arises therefore, as to whether the Section 48 defence should be construed in accordance with the common law doctrines of estoppel or on a plain reading of the Act and the Directive.

48. In this latter respect Mr Engleman reminded me, by reference to *H P Bulmer Ltd & Another v J Bollinger SA & Others*, 1974 Ch 401 (Court of Appeal), of the principles to be applied in interpreting European Regulations and Directives and particularly the ‘purposive’ approach.

49. The Directive-based statutory acquiescence provision was considered in *Royale Stratford Trade Mark*, O-370-04, with the Registry Hearing Officer concluding that “I find it hard to conceive that the authors of Article 9 of the Directive, upon which Section 48 is based, had English common law concepts in mind and it seems to me that Section 48 should be determined on a straightforward interpretation of the words contained within it”. He went on to say that acquiescence means “to comply (with) or assent (to) without protest” drawing on the definition in Collins English Dictionary. Nothing that I heard at the hearing has persuaded me that that is a wrong view of the matter. Accordingly, it does not appear to be necessary or appropriate to import into the test the principles set out in the common law test for acquiescence in the *Dyson* case. All that is required is that the applicant for invalidity must have been aware of the use of the registered proprietor’s trade mark for a continuous period of five years and taken no action during the relevant period in terms of applying for a declaration of invalidity or opposing the use. There is an exception where the registration was applied for in bad faith but that is not said to be relevant here.

50. The factors relevant to the acquiescence point in this case are firstly the contact between the parties to this action (or, in CPM’s case, its predecessor in title) in 1994 and, secondly, the fact that the respective marks have appeared side by side in certain publications. I do not think I am doing the registered proprietor a disservice if I say that it is the first of these grounds on which the claim to acquiescence is primarily built. In truth the so-called side by side references were so few in number and of such a fleeting and low key nature that they would in my view be of negligible assistance in relation to an acquiescence claim. Nor has it been shown that anyone in a relevant position of authority in Intel was aware of the references. The contact that took place between the parties potentially offers a more substantive basis for the registered proprietor’s claim. I have summarised above the evidence filed by each side in relation to the contact that took place.

51. In brief, CPM Intelmark was introduced to Intel by Mr Cogdell, a former CPM employee who had recently joined Intel. Intel was looking for assistance with what is variously described as setting up a call centre or the provision of telemarketing and fulfilment services. Mr Cogdell suggested contacting ‘a couple of companies’ including CPM. The contact that followed consisted of a credentials presentation meeting, a bid to Intel on letter headed paper and a visit by Intel to CPM Intelmark’s Thame site.

52. The part played by Mr Cogdell in this is of importance because he had worked for both companies. The registered proprietor's position is that he and others in Intel would, therefore, have been aware of the use of INTELMARK.

53. Mr Cogdell's response is recorded in his two witness statements which indicate that he had no recollection of CPM using the mark INTELMARK during the period he worked at CPM.

54. Mr Cogdell was cross-examined at the hearing. I consider him to have been a straightforward and credible witness. Mr Engelman was inclined to suggest that Mr Cogdell had simply been maintaining his previously stated position that he had no recollection of use of INTELMARK and sought to cast doubt on this view. I will come to the direction of the questioning and the material relied on below. Suffice to say at this point that I was not left with the impression that Mr Cogdell was being in any way evasive or less than open in his responses.

55. If I have correctly understood the direction of Mr Engleman's questioning, it was in part suggesting that even if Mr Cogdell does not now have any recollection of the use of INTELMARK that would not necessarily have been the case in 1994. Mr Cogdell was asked whether he accepted the evidence of his contemporaries at the time he was with CPM along with certain internal and external material which was said to support the claim that INTELMARK was in use and known in 1994.

56. At this point it is necessary to refer briefly to an issue that dogs this case namely the question of what mark or marks would have been in use in relation to the telemarketing business between 1992 and 1997. Much of the hearing was devoted to a forensic examination of Mr Woolley's evidence which Mr Mellor characterised as positively misleading. His submission was that up until a relatively late date (he puts it at 11 April 1996 though this was disputed by Mr Engleman) the business was known as CPM or CPM Intelmark and that it was not until 1996/1997 that INTELMARK started to be given prominence on its own. There were numerous other criticisms going to e.g. the extent to which there was external reference to Intelmark. I comment further on the evidence later in this decision. But for present purposes I accept the broad thrust of Mr Mellor's submission as regards the marks in use at the time of the contact with Intel in 1994. This, therefore, forms a relevant backdrop to Mr Cogdell's understanding of the position.

57. Mr Cogdell was referred to a number of pieces of evidence. The first, Exhibit PW2-1, was the CPM Field Marketing Review for October 1993 which included a page headed 'News From Down Under/The Intelmark Update'. Mr Cogdell had no recollection of receiving this document. The document is in the nature of a staff newsletter. It is not clear how often it was produced or whether it regularly featured a piece on Intelmark. Staff newsletters are apt to be read with varying degrees of interest or disinterest. I have no reason to doubt Mr Cogdell's claim that he had no recollection of this document.

58. The second item was a screenprint exhibited to Mr Benson's evidence (MB1-1) containing a reference to "ITM FILES". ITM is said to denote Intelmark. Mr Benson worked for Mr Cogdell. In cross-examination Mr Cogdell said that he had no access

to the IBM AS400 machine to which the computer file related and considered that the code would only have been known to the developer. I do not find it entirely surprising that a person in Mr Cogdell's relatively senior position (IT Manager reporting to the CPM Board) would not have been familiar with individual library database file names.

59. It is perhaps a little more surprising that he was not aware of the name of the telemarketing division that had generated the mark. On the other hand I have been given no indication of the nature, scale and extent of Mr Benson's work in this area to be able to gauge whether or to what extent he would have needed to engage Mr Cogdell, his line manager, in what was happening. Mr Benson's own investigation revealed five 'ITM FILES' created between June and October 1994. Each appears to have had a short lifespan and was archived after a month or so which reinforces my doubts about how high a profile the creation of these files had.

60. Mr Engleman also took Mr Cogdell to a December 1993 monthly financial report for CPM Field Marketing. A detailed scrutiny of the second page of the exhibited document (PW2-3) shows a reference to "InTmk", which is said to stand for the Intelmark division of CPM (in fact through poor reproduction the full reference is lost on the copy of the document filed). It shows sales of £152,304 for the month of December 1993 within total sales of approaching £2½ million. In re-examination it emerged that Mr Cogdell did not see these management accounts so it is not possible to draw any conclusions as to their effect on Mr Cogdell's knowledge of the use of Intelmark. I think it would be somewhat surprising if an IT Manager had received such reports or, if he did, studied them in sufficient detail to be alerted to the reference to Intelmark which was in any case presented in the shorthand form, InTmk .

61. The other main strand of evidence on which Mr Cogdell was cross-examined was the press material from various Marketing and Precision Marketing magazines exhibited at PW16. Again, in re-examination Mr Cogdell indicated that he did not read these magazines, scarcely surprising as his area of specialism is computing and not marketing.

62. The cross-examination did little, therefore, to undermine Mr Cogdell's credibility as a witness or to cast doubt on his recollections.

63. More generally, the position seems to me to be that there was limited contact between the companies. CPM was pitching for Intel business but did not get it. No written record of the two meetings between the companies has been filed and no contemporaneous documentary evidence appears to be available. Both Ms Rouse and Mr Pamment refer in their witness statements to a proposal document and covering letter to Intel "on our own headed paper". The inference is that they mean Intelmark though both give their evidence as CPM employees. I understand that copies of the proposal document and covering letter are no longer available so it is not possible to judge how references to Intelmark appeared in these documents either in terms of context (with or without CPM), prominence or extent. Given that over 11 years have elapsed it is not altogether surprising that contemporaneous documentary evidence relating to the contact between the parties is not to hand. But it does make the tribunal's task more difficult.

64. Intel's own evidence is that the existence of the INTELMARK registration was discovered on or about 19 April 2002 during a sweep of the UK Trade Marks Register. There followed correspondence between the parties (including on a without prejudice basis). The current action presumably came about when those exchanges failed to produce a resolution of the matter acceptable to both sides.

65. Apart from Mr Cogdell two further Intel employees were said to be involved in the contacts with CPM Intelmark in 1994 - Ian Jones, Customer Services Director, and Anne Marie Mulder, Intel Project Leader. There is an unresolved question as to the identity of the Ian Jones who was involved in 1994. The only individual with that name identified in a search of Intel's records has no recollection of either attending the meetings in question, meeting Ms Rouse or Mr Pamment or visiting CPM's premises in Thame. Nor was he ever Customer Services Director at Intel. He was a Customer Quality Engineer with technical responsibilities at the relevant time in 1994 and was involved in support for customer manufacturing and quality programmes. He says it was not a management role. Ms Mulder has not given evidence in these proceedings. It seems to me that she was unlikely to have been in a sufficiently senior role to have taken a view on the use of the name INTELMARK even assuming that it registered with her at all.

66. In summary, therefore, there are unresolved doubts about the actual mark used in the contacts with Intel in 1994 (CPM, Intelmark or CPM Intelmark); Mr Cogdell's views appeared to be genuinely held and were not undermined by cross-examination; and the other material relied on by CPM in the form of side by side magazine references do not establish any sort of awareness at an appropriately senior level in Intel. It must follow that CPM's case is not made out and it cannot rely on an acquiescence defence under Section 48.

67. I go on to consider the sole remaining ground under Section Section 47(2)(a)/5(3). The relevant part of Section 47 reads:

“(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or(3) obtain, or”

68. As a result of regulation 7 of The Trade Marks (Proof of Use etc) Regulation 2004 Section 5(3) now reads:

“5.-(3) A trade mark which -

(a) 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, 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.”

69. The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, *C A Sheimer (M) Sdn Bhd's Trade Mark Application (Visa)* [2000] RPC 484, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited & others* [2004] EWHC 1498 (Ch).

70. The Section was also considered in a recent case involving the current applicant for invalidity, *Intel Corp Inc v Sihra* [2004] ETMR 44. Mr Mellor relied on the following passage from the judgment in the *Sihra* case in relation to Intel's reputation:

“I consider that a fair view of the evidence is that by July 1995 the INTEL mark was widely known and recognised as a mark distinctive in its own right, with an established reputation in the eyes of the consumer in relation to computers and computer-linked products.”

71. I will come back to this case in due course in relation to the nature of the reputation enjoyed by the INTEL mark. But as can be seen from the above passage the relevant date for determining reputation in that case was July 1995. CPM accepts the position as summarised in *Sihra*. Intel's statement of grounds and Mr Palmer's evidence (see for instance paragraph 22 of his first witness statement) make a pitch for a wider reputation. Mr Mellor did not pursue this claim at the hearing. Rightly so in my view as the supporting evidence is nowhere near strong enough to support a 'Chevy reputation' in relation to a wider range of goods. The position is, therefore, that Mr Justice Patten's summary of Intel's reputation is equally applicable at January 1997. The only slight gloss Mr Mellor sought to put on it was that, even if the reputation still lay in computers and computer linked products, the intervening 18 months or so can only have served to further buttress the already substantial repute of the mark in relation to the goods in question. I accept that that is the case.

72. Following the ECJ's judgments in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd*, Case C-292/00, and *Adidas-Salomon AG and Adidas Benelux BV v Fitness World Trading Ltd*, Case C-408/01, it is clear that Section 5(3) also applies to goods or services which are similar or identical as well as those which are not similar. Hence the amended version of Section 5(3) set out above. Intel accepts, however, in this case that marketing and telemarketing services in Class 35 are dissimilar to the goods in relation to which it enjoys a reputation. Dissimilarity, like similarity, is a matter of degree and the relative proximity or distance between parties' goods and services is a factor that is likely to bear firstly on whether consumers will make an association between them in the light of the reputation attaching to an applicant for invalidity's earlier trade mark and secondly on whether one of the adverse consequences envisaged by Section 5(3) is made out. I will return to the issue of degree of dissimilarity below.

73. It will be convenient at this point to set out the nature of the test to be applied in determining whether there is unfair advantage or detriment and the standard of proof that is called for.

74. In the *Chevy* case, the Advocate General said:

“43. It is to be noted in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “takes unfair advantage of, or is detrimental to” (emphasis added). Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court: the national court must be satisfied by evidence of actual detriment, or of unfair advantage. The precise method of adducing such proof should in my view be a matter for national rules of evidence and procedure, as in the case of establishing likelihood of confusion see the tenth recital of the preamble.”

75. More recently in *Mastercard International Incorporated and Hitachi Credit (UK) Plc* Mr Justice Smith dealt with a submission by Counsel for the Appellant (on appeal from a Registry opposition decision) that Section 5(3) was concerned with possibilities rather than actualities. Commencing with the above passage from *Chevy*, the judge reviewed the leading cases dealing with the point including observations by Pumfrey J in the *Merc* case and Patten J in *Sihra*. He concluded that the Registry Hearing Officer had been right to conclude that there must be “real, as opposed to theoretical, evidence” that detriment will occur and that the Registry Hearing Officer was “right to conclude that there must be real possibilities as opposed to theoretical possibilities”.

76. I should just add that, whilst the above extract refers to real evidence of the claimed form of damage, this cannot mean that there must be actual evidence of damage having occurred. In many cases that come before Registry Hearing Officers the mark under attack is either unused or there has been only small scale and recent use. No evidence of actual damage is possible in such circumstances. I, therefore, interpret the above reference to mean that the tribunal must be possessed of sufficient evidence about the use of the earlier trade mark, the qualities and values associated with it and the characteristics of the trade etc that it is a reasonably foreseeable consequence that use of the other side’s mark will have the claimed adverse consequence(s).

77. It may be said in this case that the registered proprietor had the benefit of almost five years’ use by the material date and so there had been ample opportunity for problems to come to light. But that is not necessarily an answer to the matter given that on any reading of the evidence part at least of that use was of CPM Intelmark rather than Intelmark solus. There is the added difficulty that any problems may not be brought to Intel’s attention or may not surface at a sufficiently senior level to trigger alarm bells.

78. On the other hand, even if it is accepted that there will be damage, it must be more than simply of trivial extent as is evident from the following passage from *Oasis Stores Ltd’s Trade Mark Application* [1998] RPC 631:

“It appears to me that where an earlier trade mark enjoys a reputation, and another trader proposes to use the same or similar mark on dissimilar goods or services with the result that the reputation of the earlier mark is likely to be

damaged or tarnished in some significant way, the registration of the later mark is liable to be prohibited under Section 5(3) of the Act. By ‘damaged or tarnished’ I mean affected in such a way so that the value added to the goods sold under the earlier trade mark because of its repute is, or is likely to be, reduced on scale that is more than de minimis”.

79. I note too the following from Mr Geoffrey Hobbs QC (sitting as a Deputy Judge) in *Electrocoin Automatics and Coinworld*:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.” (footnotes omitted).

80. I now turn to the applicant’s case on unfair advantage or detriment. Mr Palmer’s evidence puts his company’s case in the following terms:

“46. In my opinion, because of the fame of the INTEL Marks, the extensive reputation and goodwill built up in the United Kingdom and throughout the world over a period of many years and prior to 31 January 1997, use of the INTEL MARK sign in relation to CPM’s products and/or services is likely to establish in the minds of consumers a link between the INTEL MARK sign and Intel’s famous INTEL Marks.

47. On encountering the INTEL MARK sign, once a consumer calls to mind the INTEL Marks, the effect will be one or more of the following:

- (a) the consumer will be confused or will assume that services provided under the INTEL MARK sign were produced by, or in association with, or with the approval of Intel;
- (b) by using a mark containing INTEL, being so associated with Intel, CPM will obtain an advantage in its business as a result of trading off the distinctive character and the repute of the INTEL Marks. Use of the similar INTEL MARK sign will allow CPM to project onto its goods [sic – services] the reputation for quality, reliability and innovation that Intel has established in its INTEL Marks giving CPM an unfair commercial advantage in its business; and
- (c) the distinctive character of Intel’s INTEL Marks will be diluted as a result of CPM’s use of the similar INTEL MARK sign.

48. In view of its extensive reputation and the fact that the INTEL Marks invoke ideas of guaranteed quality and top quality design and manufacture, it is my belief that the use of the INTEL MARK sign by

CPM would mean that CPM would derive some unjustified benefit or advantage from its use of the marks. This is due to:

- 48.1 the immense fame and reputation Intel owns in the INTEL Marks;
- 48.2 the fact that the INTELMARK sign is similar to each of the INTEL Marks; and
- 48.3 the fact that the INTELMARK sign incorporates the unique INTEL word associated with Intel and its licensees, particularly given that there is no significant use of the INTEL mark by others in the United Kingdom. This will lead consumers to associate products bearing the INTELMARK sign or services provided under the INTELMARK sign as being endorsed, provided or manufactured by Intel – CPM would clearly be taking unfair advantage of the established reputation of the INTEL Marks.”

81. Mr Mellor’s skeleton argument and submissions concentrated on the “massive and pervasive reputation in INTEL”, the qualities associated with the mark namely “notions of high quality, for technical advancement and achievement” and the fact that “anyone encountering the mark INTELMARK would automatically make a link with INTEL”.

82. The first matter to be considered is whether the link referred to by Mr Mellor exists or is reasonably likely to exist.

83. In the *Sihra* case Mr Justice Patten accepted:

“... the general proposition that s.5(3) is not intended to prevent the registration of any mark whatsoever which is similar to a trade mark with the necessary character and reputation, even if the use of the similar mark will lead to an association in the mind of the consumer between the two marks.”

But without that link or association one does not get to a consideration of unfair advantage or detriment.

84. The link or association does not have to be one that establishes confusion (*Premier Brands UK Ltd v Typhoon Europe Ltd*) and, as also noted in that case, it will generally be less hard to establish a link or association between a sign and a mark than to establish confusion. Unlike the *Sihra* case, where survey evidence was led showing the public’s reaction to the mark in issue when presented in the context of toy construction blocks, I have no survey or other independent evidence before me in this case dealing with whether association exists or, if established, the degree, strength and nature of the association. I must, therefore, make up my own mind on the matter having regard to the marks themselves, the extent of the applicant’s reputation and the scope of the registered proprietor’s specification.

85. Both sides, in their evidence, explain the derivation of their marks. Intel is a shortening of integrated electronics (paragraph 11 of Mr Palmer's first witness statement). Intelmark is a shortening of integrated telephone marketing (paragraph 5 of Mr Halsall's witness statement). I do not think these derivations would be particularly obvious to the public at large. More likely they would be seen as invented words.

86. There has been an attempt by the registered proprietor to suggest that the impact of 'Intel' has been diluted by the existence of a number of live companies with this or phonetically equivalent prefixes. There is no, or insufficient, information to support such a claim. Having dismissed a 'state of the trade mark register' argument in *Premier Brands* the judge said:

"The same point can be made about another aspect relied on by TEL, namely registrations of companies whose names include the word TYPHOON. In any event, even if those companies trade, the goods or services with which they are involved and the extent of their trade are matters of speculation."

87. That is also the case here. There is simply not enough information on the companies identified to say whether their existence and trading activities has had any discernible impact on the relevant public's perception of and approach to marks using the prefix/element Intel.

88. I should also say that the registered proprietor's evidence shows use of the mark with capitalised elements in the form InTelMark. That may be said to produce a subtly different effect to the word in plain black capitals hinting as it does at the derivation of the mark. But I must consider notional and fair use of the plain block capital form in which the mark is registered. On the other hand, it is in the registered proprietor's favour that its mark is presented as a single word (bearing in mind that consumers are generally not expected to dissect marks) unlike the *Sihra* case where the applicant had chosen to present his mark as INTEL-PLAY thus drawing attention to the offending element.

89. The registered proprietor has conceded that the marks INTEL and INTELMARK are similar. That was a sensible concession but there remains the question of the degree of similarity. Mr Mellor submitted that INTELMARK represented the addition of the non-distinctive suffix -MARK to his client's mark INTEL. 'MARK', he said, did not have any clear meaning and was not a recognised abbreviation for the word marketing. I believe the latter point to be correct. The non-distinctiveness must therefore rest on the fact that 'mark' is a word used to mean trade mark or brand. But it is not usually incorporated into the brand name itself. Furthermore, the average consumer is not generally credited with dissecting marks and so may not be particularly moved to unpack 'Intel-' from the totality of INTELMARK. The notional consumer would be more likely to simply take the totality at face value. In terms of degree of similarity I, therefore, take the view that the respective marks are similar to a reasonable but not the highest extent.

90. The issue before me is the degree of connection or association, if any, in the minds of the public between the sign INTELMARK used in relation to marketing and telemarketing services on the one hand and the mark INTEL as used in relation to

computer and computer related products. Mr Mellor put the applicant's case on the basis that the customers for CPM's services were likely to be corporate clients who would take an interest in the IT/database aspects of, for instance, a telemarketing campaign.

91. The range of activities and objectives which may be the subject of telemarketing can be gauged from Exhibit PW-1 to Mr Woolley's witness statement – they include customer relationship management, brand building, establishing new routes to market, optimising sales performance, developing innovative direct marketing strategies and putting in place intelligence information management. There is some support for Mr Mellor's submission that the execution of telemarketing programmes involves technological processes. Most obviously there will be the telecommunications requirement for a call handling facility. There is also likely to be call handling software and datacapture/database handling equipment and software.

92. There is little evidence before me as to how the process of engaging a telemarketing service works. Companies commissioning such services no doubt need to satisfy themselves in general terms as to the proficiency and capabilities of the service provider. That may extend to certain enquiries of a more technical nature. When I asked what evidence existed about clients' involvement in IT matters generally Mr Mellor pointed to Mr Cogdell's participation with the Intel team in the contact with CPM. Whether his position is typical I do not know. His involvement may have been no more than a reflection of the fact that he had suggested his previous employer as a possible candidate. I note that his involvement did not extend to the follow-up meeting at CPM's Thame site. As his evidence and testimony under cross-examination showed he was not particularly conscious of branding matters.

93. How deeply key personnel commissioning telemarketing services would generally concern themselves with matters of a technical nature is not clear. For instance, it seems unlikely that they would pay any regard to the brand of computer or microprocessor that the telemarketing company would be using or otherwise have particular cause to have Intel's mark and reputation at the forefront of their minds. They might need to be assured that appropriate database management/data transfer facilities exist (and look to their technical colleagues for such assurance). But the main focus of attention of the individuals responsible for commissioning the service would after all be on what the service would be delivering in marketing terms. Mr Mellor was probably right to suggest that clients would have a more detailed interest in the conduct of the telemarketing itself (even down to the level of the script to be used in contacts with customers) but these are matters going to the heart of the marketing process rather than technical telecommunications/computing matters. Pervasive though the Intel reputation is in relation to computers and computer related products, it does not mean that it is omnipresent in the consciousness of business people in all areas of trade in all circumstances or that a mark which is only similar and not identical is capable of triggering association with Intel in circumstances such as those pertaining in this case.

94. I have not, therefore, found the issue of connection or association to be a straightforward one to decide but, accepting that there are likely to be some technical issues involved, I am not prepared to rule out the possibility that some customers for the services offered under the brand INTEL MARK would be reminded of INTEL

because of the widespread knowledge and repute of that brand. Given that the marks are not identical the number who would make such an association must be a matter of speculation. I also have no basis for concluding that any such association would be other than a fleeting and shallow one.

95. Intel claims that both unfair advantage and detriment will flow from any association that is made. Mr Mellor in his submissions posed the question as to whether there was anything to disabuse the relevant consumer from the notion that the services in question had some connection with Intel. I am not comfortable with that approach save to the extent that it was simply intended to emphasise the power of the Intel brand or might be a factor in relation to whether a registered proprietor's use was not without due cause. Firstly it appears to create a presumption that the applicant for invalidity has already made out its case and secondly it does not in itself establish a material link by addressing the issues of unfair advantage or detriment. The Act clearly places the onus on the applicant for invalidity to establish an association leading to one or more of the adverse consequences of unfair advantage or detriment.

96. Considering unfair advantage first, there have been a number of cases that have pointed to the need for an applicant for invalidity or opponent to establish his case to a more than trivial extent. Thus in the *Visa* case, the Appointed Person held that:

“I think it is clear that Sheimer [the applicant for registration] would gain attention for its products by feeding on the fame of the earlier trade mark. Whether it would gain anything more by way of a marketing advantage than that is a matter for conjecture on the basis of the evidence before me. Since I regard it as quite likely that the distinctive character or reputation of Visa International's earlier trade mark would need to increase the marketability of Sheimer's products more substantially than that in order to provide Sheimer with an unfair advantage of the kind contemplated by section 5(3) I am not prepared to say that requirement (iv) is satisfied.”

97. In the *Sihra* case Intel had again based its case partly on unfair advantage but Mr Justice Patten in finding in favour of Intel on Section 5(3) grounds expressed himself in cautious terms in relation to unfair advantage:

“**24** It seems to me very likely that the use of the mark INTEL-PLAY will feed on the earlier mark and lead to greater sales of the applicant's products than could be achieved using the existing LOXOL mark. But there is understandably no evidence of likely scale. I am therefore content to base my decision on the detriment

98. Even accepting for present purposes a possible association based on the presence of the element 'Intel -' in INTELMARK, I am unable to see that CPM would gain any marketing or other advantage in its favour. The mere fact that the Intel brand brings with it a very strong reputation for high quality and technologically advanced products does not, on its own, mean that consumers will respond more favourably to marketing or telemarketing services offered under the brand INTELMARK. To conclude otherwise seems to me to be a matter of speculation. I, therefore, reject the submission that Intel can succeed under the unfair advantage head.

99. Detriment to distinctive character or repute can take the form of blurring or tarnishing – see *Premier Brands* for a discussion of the circumstances in which these forms of damage can arise. Intel has largely pleaded its case in terms of generalised assertions and by reference to the wording of the Act. However, it is possible to discern two strands of thinking in the way it has presented its case. Firstly, that its reputation for high quality, technologically based products will be damaged/tarnished as a result of use of INTEL MARK for the services in respect of which it is registered; and secondly, that the uniqueness of the INTEL brand will be diluted as a result of such use.

100. I regard the first of these contentions as amounting to little more than submission. I can see no basis for concluding that there will be any material damage to Intel's mark as a result of adverse association with use of INTEL MARK on marketing or telemarketing services. In fact the notion seems more than a little fanciful.

101. Perhaps Intel's stronger case is that based on dilution of the singularity of its mark in the marketplace. In *Sihra* Mr Justice Patten based himself on this aspect of Intel's objection (but also it would seem with an underlying concern on tarnishing) holding that:

“The use of the INTEL-PLAY mark will almost inevitably dilute the strength of the INTEL mark. The connection made in the minds of the public between the INTEL-PLAY mark, used on what the Hearing Officer describes as unsophisticated goods, and the existing INTEL mark will, in my judgment, almost certainly reduce the distinctive character of the latter

102. The Registry's Hearing Officer had previously held that there was a likelihood of confusion for Section 5(2) purposes between the applicant's hand-held electronic construction games and Intel's Class 9 registration covering computer games etc but had dismissed the action so far as dissimilar goods (non-electronic toys) were concerned. The High Court judgment reversed the Hearing Officer's decision on the Section 5(3) point. I should add that there was evidence in the *Sihra* case going to Intel's link-up with various well known toy manufacturers and the circumstances of trade whereby computer products and toys are often sold in close proximity in large retail stores (see, for instance, paragraphs 4 and 5 of the judgment).

103. There is no evidence before me as to any similarly close connection between the computers and computer related goods for which Intel enjoys a reputation and the marketing and telemarketing services that are the subject of CPM's registration. It is not enough in my view to simply say that such services employ computers or other technology. The same might be said of an extremely wide range of services indeed. The position might have been different if Intel had brought forward evidence directed to the extent to which businesses commissioning marketing or telemarketing services involve themselves in the technical aspects of such services. As matters stand I am not persuaded that any such interest goes beyond satisfying themselves in general terms as to the credentials of the service provider and certain technical formalities. I, therefore, approach the matter on the basis that computer and computer-related products are not merely dissimilar to marketing and telemarketing services but dissimilar to a material degree.

104. Nevertheless, considerable care is needed where a mark enjoys the huge reputation that Intel has. Mr Mellor repeatedly stressed the pervasive nature of that reputation. That is undoubtedly so but it is strength in depth rather than breadth. It is not, in my view, comparable to, say, the Virgin brand which has been deployed across a very wide range of unconnected goods and services. I am not prepared to say that Intel can bridge any gap. In any case the mark here is only similar and not identical. Nor does it invite the viewer to pick out the Intel- element as INTEL-PLAY did.

105. In *Oasis Stores Ltd's Trade Mark Application* [1998] RPC 631 the Hearing Officer said:

“Any use of the same or a similar mark for dissimilar goods or services is liable, to some extent, to dilute the distinctiveness of the earlier mark. The provision is clearly not intended to have the sweeping effect of preventing the registration of any mark which is the same as, or similar to, a trade mark with a reputation. It therefore appears to be a matter of degree.”

That decision was referred to with approval in *Premier Brands*.

106. Weighing the above factors in the balance I am unable to say that there will be any material damage to the distinctiveness or singularity of the Intel brand if INTELMARK is used in a normal and fair manner in relation to the services in question. The application for a declaration of invalidity, therefore, fails.

107. A substantial part of the lengthy hearing was taken up with a forensic analysis of CPM's evidence. Had I found in Intel's favour in relation to the Section 5(3) objection I would have needed to go on to consider whether CPM's use prior to January 1997 was with due cause. In case this matter goes to appeal and in deference to Counsels' analysis of, and submissions in relation to, the evidence I will briefly give my views on the matter. In doing so I propose to set out what I consider to be Mr Mellor's main criticisms and my overall conclusions on the evidence but without engaging in a detailed and exhaustive analysis of the material filed.

108. Mr Mellor's main points were as follows:

- the broad claims made in Mr Woolley's witness statement need to be tested against the contemporaneous evidence particularly as regards the name used;
- the mark has only ever been used in relation to telemarketing and not marketing services at large;
- the telemarketing business was part of CPM or Granby Marketing Services (GMS) and operated under the names CPM Intelmark and GMS Intelmark;
- the evidence does not disclose to an appreciable extent how business was obtained. The suggestion is that it was not separately publicised but was obtained from other companies in the group;

- as a consequence public exposure of the mark to the outside world was not extensive;
- the large volume of material in PW16 mainly consists of articles from the trade press and would not necessarily have reached a wider audience;
- the ‘league table’ figures giving turnover for CPM Intelmark or Intelmark are likely to have been supplied by the company itself;
- INTELMARK was not given significant independent prominence until late 1995/early 1996 as a result of an internal development review;
- the InTelMark and device mark appears to have been adopted in late 1996;
- use of INTELMARK on its own was short-lived and on a much reduced scale after 1999/2000.

109. There is force to most of these submissions. A careful reading of the evidence does indeed leave question marks as to how CPM obtained its business and what the level of wider public promotion/awareness of the mark was. Following the adoption of the mark in 1992 the primary external use appears to have been of CPM Intelmark or GMS Intelmark reflecting the telemarketing business’s position within the wider marketing activities of the group. As a consequence, prior to the year or so before the application filing date, it is not easy to assess public recognition of INTELMARK on its own. The business appears to be characterised by having a relatively small number of large clients (Kelloggs, Renault, Sony etc). That may simply be a reflection of the fact that larger companies are the main users of telemarketing services. CPM should not be criticised for not having a wider client base if the market for telemarketing services lies principally with larger companies. I believe that Mr Mellor may have been a touch too critical of this aspect of the business. Nevertheless, his overall view of the position does not seem to me to be wide of the mark.

110. Where would this leave a ‘due cause’ defence? Guidance on this aspect of Section 5(3) can be found in *Premier Brands* (page 1096 et seq) which in turn referred with approval to the views of the Benelux Court on comparable wording in *Lucas Bols* [1976] I.I.C. 420 at 425:

“What this requires, as a rule, is that the user (of the mark) is under such a compulsion to use this very mark that he cannot honestly be asked to refrain from doing so regardless of the damages the owner of the mark would suffer from such use, or that the user is entitled to the use of the mark in his own right and does not have to yield this right to that of the owner of the mark ...”.

On the same page, the court went on to suggest that a “justifiable reason” may be “if the user can assert an older right than that of the [registered proprietor]” but went on to emphasise that whether the alleged infringer can establish a “justifiable reason” must be “resolved by the trial judge according to the particular facts of each case”.

111. The example quoted above relates to the position where a party has an ‘older right’ but taken in context does not appear to rule out the possibility of due cause being considered where a junior but concurrent right of sufficient extent and duration has been established.

112. The difficulty that CPM faces here is that, even allowing for some arguable uses at the margins, most of the early use, between 1992 and 1995 (and into early 1996), was of the mark INTELMARK in association with other differentiating matter either CPM or GMS. It is not until 1995 or 1996 that there started to be significant use of INTELMARK on its own. That suggests a rather short period of use of the mark that is the subject of this action prior to the January 1997 filing date. In addition some of the use from this time was of the mark InTelMark and device (see for instance PW-1). The mixed case presentation has the twin effect of highlighting the derivation of the mark and reducing the likelihood of consumers taking the first two elements out of context and making an association with Intel.

113. Even allowing for the weaknesses Mr Mellor identified in the press etc material in PW 16 I think it is reasonable to conclude that CPM Intelmark had achieved some recognition in the marketplace. However if it was indeed largely referred business (that is from other companies in the group) wider recognition was by no means assured absent independent advertising and on that the evidence is not very forthcoming. However it seems to me that by the application filing date of 31 January 1997 CPM could reasonably be said to have established its position in relation to the mark CPM Intelmark.

114. It does not thereby follow that it would have had due cause to use the plain block capital form INTELMARK. CPM’s evidence is largely silent on how or whether there was ever independent promotion of the telemarketing business. As noted above the distinct impression is that telemarketing rode on the back of the wider marketing activities of companies in the group. If that is so then companies commissioning the services in question would have been aware of the corporate context in which those services were being provided. But normal and fair use of INTELMARK would include wider promotion of the mark on its own and divorced from any apparent connection with other companies in the group.

115. Although CPM has an arguable case, I am not persuaded that, in all the circumstances, the evidence is enough to satisfy me that the registered proprietor would have been entitled to claim the benefit of a ‘due cause’ defence in relation to the subject mark. But, as matters stand, Intel’s failure to establish unfair advantage or detriment renders a formal finding on the point unnecessary.

Costs

116. The registered proprietor has succeeded and is entitled to a contribution towards its costs. Both Counsel made submissions as to what I should take into account in making an award. Mr Mellor referred me in particular to the way in which Mr Woolley’s first witness statement was drafted and the fact that it necessitated a lengthy response from Mr Palmer and a detailed chronology on his (Mr Mellor’s) part running to 12 pages at the hearing.

117. Mr Engelman for his part said that his client had tried to adopt a reasonable and realistic position in its counterstatement. He had not had sight of Mr Mellor's chronology prior to the hearing (and the skeleton argument itself was late) and noted also that the Section 5(4)(a) ground had been given up at the hearing.

118. It is well established (per *Rizla Ltd's Application* [1993] RPC 365) that the Registrar has considerable flexibility in issues to do with costs notwithstanding that awards are usually based on the published scale. I take the view that the main cause of complaint between the parties here stems from the way in which Mr Woolley's evidence was presented though, having identified the problem, presenting a document containing a very detailed written analysis of key exhibits at the hearing gave Mr Engelman little time to comment on the accuracy or otherwise of its contents. In the overall scheme of things these matters cancel one another out.

119. I am unwilling to penalise the applicant for withdrawing the Section 5(4)(a) ground at the hearing. Mr Mellor was entitled to take the view that it did not add to the applicant's case and it would undoubtedly have extended an already lengthy hearing if the ground had been pursued simply to avoid the risk of a costs penalty.

120. Finally, I accept that the registered proprietor's counterstatement adopted a realistic position in relation to the similarity of the marks and Intel's reputation. But the former was no more than a sensible and necessary concession and the latter was inevitable given the finding in the *Sihra* case.

121. In all the circumstances I order the applicant to pay the registered proprietor the sum of £2500. 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 1st day of February 2006

**M REYNOLDS
For the Registrar
the Comptroller-General**

ANNEX

Registrations relied on by Intel (UK unless otherwise indicated)

No.	MARK	CLASS
962981	INTEL	9
969190	INTEL	9
1142466	INTEL	9
1411048	INTEL	9
2108574	INTEL	9, 16, 38
CTM 513	INTEL	9, 16, 38, 42
962982		
1437993		9
CTM 464		9, 16, 38, 42
2108758	INTEL INSIDE	9, 16, 38

2108775		9, 16, 38
CTM 539		9, 16, 38, 42