

O/060/12

**IN THE MATTER OF REGISTRATION NO. 2512671
IN THE NAME OF BENJAMIN OLIVER SPENCER
OF THE TRADE MARK**



IN CLASSES 20 AND 39

AND

**AN APPLICATION FOR
A DECLARATION OF INVALIDITY THERETO
UNDER NO. 83707
BY PASS J HOLDINGS LIMITED**

Trade Marks Act 1994
In the matter of registration no. 2512671
In the name of Benjamin Oliver Spencer
of the trade mark



in classes 20 and 39

and

the application for
a declaration of invalidity thereto
under no. 83707
by Pass J Holdings Limited

Background

1. An application to register the above trade mark was made on 1 April 2009 by Benjamin Oliver Spencer. The registration process was completed on 11 September 2009. Mr Spencer's trade mark registration stands as registered for the following goods and services:

Class 20: Non-metal pallets for goods handling and/or loading, transportation and freight, including but not limited to pallets made of wood or plastic.

Class 39: Transport, freight, distribution, warehousing and logistics services including: the collection and delivery of goods; the transportation of goods including but not limited to transportation by road; goods handling services including: packaging or other conditioning of goods for transportation; the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets; the provision of warehousing or other goods storage facilities; the provision of one or more of the above services via Internet ordering.

2. On 4 March 2010¹, Pass J Holdings Limited ("the applicant") filed an application for a declaration of invalidity of the registration under section 47(2) of the Trade Marks Act 1994 ("the Act") in respect of all the goods and services. The applicant claims the registration should be cancelled as it was registered in contravention of sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

3. Sections 5(2)(b) and 5(3) state that:

"(2) A trade mark shall not be registered if because –

¹ The statutory application form, TM26(I), bears an Intellectual Property Office dating stamp, which states that the effective date of the application for a declaration of invalidity is 4 March 2010.

....

(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.”

(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 or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

The applicant bases its claims under these sections upon the class 39 services of its following earlier marks:

(i) Community Trade Mark (“CTM”) 2832244



Date of application: 27 August 2002

Date of completion of registration procedure: 10 October 2003

Colour claim: blue, reflex blue and red pantone 1925

Class 39: Transport services; shipping, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services, information and advisory services relating to all the aforesaid.

(ii) CTM 2742260

ONLINE ROADWAYS

Date of application: 21 June 2002

Date of completion of registration procedure: 11 May 2005

Class 39: Transport services; shipping, freight, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services relating to all the aforesaid.

(iii) CTM 5545207

ONLINE[®] MBT

Date of application: 22 November 2006

Date of completion of registration procedure: 21 November 2007

Class 39: *Transport services; shipping, freight, freight forwarding; haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services for all the aforesaid.*

(iv) CTM 5519129

ONLINE MIKE BEER

Date of application: 20 November 2006

Date of completion of registration procedure: 21 November 2007

Class 39: *Transport services; shipping, freight, freight forwarding; haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services for all the aforesaid.*

4. The applicant claims that the registered mark contravenes section 5(2)(b) of the Act because it is similar to the applicant's four earlier marks and is registered for identical or similar goods and services which would lead to a likelihood of confusion. In particular, the applicant claims that ONLINE is the dominant and distinctive element of all of its earlier marks and that the same word is at the beginning of the attacked registration and is its distinctive and memorable element. The applicant's claim under section 5(3) is that because of the registered mark's similarity to its own earlier marks which have a reputation in the United Kingdom and Europe, its use takes unfair advantage of the earlier marks by association with the earlier marks' success. Further, its use will dilute and tarnish the distinctive character or repute of the applicant's marks. Finally, the applicant claims that the close geographical proximity of the parties' addresses makes it more likely that the registered mark will "free ride" upon the success of the applicant's marks.

5. Section 5(4)(a) states that:

"5.-(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, or

(b)

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

The applicant bases this ground upon four earlier signs which all correspond to the marks listed above. It claims the sign corresponding to mark (i) was first used throughout the UK in 2002; the sign corresponding to mark (ii) was first used throughout the UK in 1983; and the signs corresponding to marks (iii) and (iv) were first used throughout the UK in 2006. In all four cases the applicant claims that the signs have been used in relation to “all services in class 39”. The applicant claims that use of the registered mark is liable to be prevented under the law of passing off; in particular, Mr Spencer’s business address is in the same trading area as the applicant, which has a reputation in the “Online brand. Use of the mark would be a misrepresentation leading or likely to lead the relevant public to believe that the goods and services offered under the mark are those of the applicant. As a result, the applicant will suffer or is likely to suffer damage.

6. Mr Spencer filed a counterstatement putting the applicant to proof of use and denying all of the grounds brought against his registration. In particular, in relation to section 5(2)(b), Mr Spencer denies that ONLINE is a distinctive or dominant element of any of the applicant’s marks. He states that the word is inherently lacking in distinctive character or has become an entirely descriptive term in relation to any activity conducted with reference to the Internet. Further, Mr Spencer states that any distinctiveness in marks (i), (iii) and (iv) is as a result of the manner of incorporation of the word ONLINE into a stylised graphic and, in relation to mark (ii) ONLINE ROADWAYS, any distinctiveness lies in the combination of words. Likewise, Mr Spencer denies that ONLINE is the distinctive and dominant element of his registered mark. As regards the goods and services, Mr Spencer admits that some of the services relied upon are identical or similar to some of the services in his registration but does not explain this any further. Mr Spencer denies that his class 20 goods are similar or identical to any of the applicant’s services and further denies that *the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets; the provision of warehousing or other goods storage facilities; the provision of one or more of the above services via Internet ordering* are identical or similar to the applicant’s services.

7. In relation to section 5(4)(a), which he denies, Mr Spencer particularly states that the applicant cannot satisfy this ground by relying on marks (iii) and (iv) as Mr Spencer states that he has been trading under the name ONLINE PALLET since March 2005, which predates the applicant’s use of these marks (2006).

8. Both parties filed evidence. Although the parties were content for the case to be decided from the papers, it should be noted that this is the second substantive decision in relation to these invalidation proceedings, the first having been set aside on appeal due to a procedural irregularity and remitted to the Registrar for determination by a different hearing officer². The first decision was written after a hearing at which both parties made oral submissions. Mr Spencer has asked that the transcript and submissions made at that hearing and his skeleton argument on

² See the decision of Mr Geoffrey Hobbs, O/427/11.

appeal should be available for me to read in lieu of him making fresh written submissions for this, the second substantive decision. Both sides confirmed to the Trade Mark Registry that they wished for this decision to be made from the papers already filed.

Material dates

9. The material dates for proof of genuine use of the applicant's earlier marks is one issue; the other is to decide the material dates relating to the invalidation action itself. The relevant part of Section 47 of the Act states:

"47.—

.....

(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

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless—

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if—

(a) within the period of five years ending with the date of the application for the declaration 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) it has not been so used, but there are proper reasons for non-use.

(2C) 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.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

2E) 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.

.....

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

10. Earlier mark (i) (CTM 2832244) completed its registration procedure on 10 October 2003. As the application for a declaration of invalidity was made on 4 March 2010, over five years since the registration of CTM 2832244, it is subject to the proof of use provisions set out in sub-sections 2A to 2E of section 47. The registration procedures for the other three CTM registrations relied upon were completed within the five year period preceding the application for a declaration of invalidity (11 May 2005, 21 November 2007 and 21 November 2007) and so are not subject to the proof of use provisions. The material dates for considering proof of use of mark (i) span the five year period ending on the date of the application for a declaration of invalidity: 5 March 2005 to 4 March 2010.

11. The date of Mr Spencer's application for registration (1 April 2009) is the relevant date for assessing the grounds for invalidity under sections 5(2)(b) and 5(3) of the Act. This is also the relevant date in relation to section 5(4)(a): (see the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS O/410/11*). However, where the applicant (for registration) has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. If Mr Spencer was not passing off when he commenced trading under the sign, a continuation of the same trade under the same sign will not amount to passing off at the relevant date. Mr Spencer could show evidence which could establish that he was the senior user and that the existing position should not be disturbed and so his use would not be liable to be prevented by the law of passing-off³.

³ See, for instance: *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

Evidence

12. The applicant's evidence comes from Mr Geoff Lane who is the applicant's company secretary. He refers to the 'Online Group' as a division of the applicant, the Group having been formed in 1983 offering a logistics service. He states that the applicant has a fleet of over three hundred vehicles which collects and delivers pallets from its UK sites. Mr Lane gives turnover figures for the "online brand" (as represented by its CTMs): these rise from £11.10 million in 2002 to £29.6 million in 2010 (as of the date of the invalidity application), having peaked at £31.1 million in 2006. Mr Lane gives further figures for turnover relating directly to pallet distribution as £1.2 million in 2002 rising to £3.477 million in 2010. Advertising spend for the "online brand" was £24,000 in 2002, rising to £27,000 in 2005, and falling back to £12,000 in 2009. Promotion has been via catalogues, leaflets, mail shots, Corgi vehicle toys and stationery. In 2002 and 2005, seven and a half thousand catalogues were distributed. The "Online brand" was advertised in magazines such as International Freighting Weekly Magazine, exhibit GL2 from 2008 which shows both earlier mark (i) on the cabin of a truck and the mark ONLINE ROADWAYS in the stylisation of earlier mark (i); Lloyds Magazine and Truck and Driver Magazine. There were sponsorship deals in 2005, 2006, 2007 and 2008 for the European and World Touring Car champion, Andy Priaulx. Mr Lane lists various industry awards such as the "Depot of the Year" voted for by industry members, and presence at industry events such as the NEC Logistics Link South and North and SME Exhibition which he states enhanced the ONLINE brand name and image.

13. Mr Lane states that the applicant has a wide pallet distribution network with fully liveried vehicles collecting and delivering pallets, which all carry an "ONLINE" pallet label. An example of a design drawing from 2005 is shown in exhibit GL4, stated to be in association with PalletForce:



The rear doors of the lorry design show the word PalletFORCE beneath the online logo, the latter corresponding to mark (i). Exhibit GL1 shows photographs of a truck bearing mark (iii), with the additional PalletFORCE logo, in the style shown above. The truck, which has a vehicle registration plate of '56 (so is from at least as early as September 2006), is in front of a building which shows earlier mark (iii) as a sign on its exterior. One of the photographs also shows earlier mark (iv) on the truck cabin. Mr Lane states that this is use in association with the applicant's Pallet Force

Distribution Service. A corporate magazine (GL03) from 2005 shows mark (i) used *solus* (on the side of a van), or with ROADWAYS, or with words such as European, Technology and Group. The words are frequently separated by a large gap, as in the picture above. The magazine refers to a variety of transport services, such as single pallet to 44-tonne shipments, warehousing, courier services and airfreight collections, worldwide shipping services and booking services for ferries and the shuttle⁴. A brochure from May 2007 (GL5) gives similar information, showing mark (i) and the letters MBT with a large gap in between (so not exactly corresponding to mark (iii)). A brochure from 2008 (GL6) shows the mark as registered under mark (iii) in respect of European transport services. Exhibit GL7 dates from 2001 (the applicant claims in its pleadings that use is from 2002) and so is outside of the relevant dates for proof of use, although it can be considered in relation to reputation. It shows a UK national spread of operation under a mark largely, but not completely, corresponding to mark (i). It has a small Union Jack flag to the bottom right and a website address beneath the mark itself.

14. Mr Spencer has filed evidence: he is the proprietor of the registration under attack and is the sole proprietor of OnlinePallet, which has operated as a sole trader business since March 2005. Mr Spencer states that OnlinePallet offers an online quotation, booking and payment facility for the collection and delivery of palletised goods throughout the UK and Ireland. All of the sales have been made via the internet through OnlinePallet's website. Advertising expenditure rose from £161 in 2005 to £8,894 in 2010, via methods such as 'pay per click', eBay promotions, stationery and Yell.com/Yellow Pages advertisements. Turnover rose from £429 in 2005 to £135,864 in 2010. Mr Spencer states that in over five years of offering freight transportation under his mark and, during 10,000 email enquiries and many verbal contacts with customers, he has never been made aware of any confusion between the parties or their trade marks.

Proof of genuine use of CTM 2832244 (mark (i))



15. Section 100 of the Act states:

“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.”

Consequently, under section 47(2B) to (2E) the onus is upon the applicant to prove that it has made genuine use of its trade mark.

16. Ms Anna Carboni, sitting as the appointed person in, *PASTICCERIA E CONFETTERIA SANT AMBROEUS S.R.L. v G&D RESTAURANT ASSOCIATES LIMITED* [2010] RPC 28, summarised a set of principles from the following leading

⁴ Presumably, 'shuttle' is a reference to the Channel tunnel.

Court of Justice of the European Union (“CJEU”) cases on the issue of genuine use: *Ansul BV v AjaxBrandbeveiliging BV*, Case C-40/01, [2003] ETMR 85; *La Mer Technology Inc v Laboratoires Goemar SA*, Case C-259/02, [2004] FSR 38; and *Silberquelle GmbH v Maselli-Strickmode GmbH* Case C-495/07, [2009] ETMR:

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely “token”, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22] - [23].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25].”

17. The earlier mark in question is a Community trade mark for which genuine use should be construed as within the European Community. The applicant's evidence shows that it provides its transportation services to and from Europe and there is some indication in exhibit GL3 that it has both domestic and European 'Online' operations: there is evidence of a stylised ONLINE ROADWAYS (the stylisation corresponding to that of mark (i)) with the Germanic company identifier "GmbH". A picture on the front of the brochure shows the side of a truck which says "European Logistics" and "Daily Benelux France & Germany" beneath a stylised ONLINE ROADWAYS mark.

18. Throughout the evidence, wherever the mark ONLINE appears (apart from within textual narrative where it is word-only) it is shown in the form of mark (i). That said, it is more frequently accompanied by other matter, such as the additional words in marks (ii), (iii) and (iv) and others, such as EUROPEAN, PalletFORCE, TECHNOLOGY and GROUP. There are a few instances of the mark *solus*; one such instance being on the side of a van. The rear doors of the truck pictured in paragraph 13 of this decision show the mark as registered with PalletFORCE separately below it, although I bear in mind that this is a design drawing rather than a photograph of an actual liveried vehicle. It is particularly noticeable, both in this drawing and throughout the exhibits, that there is often a large gap between the ONLINE mark (as registered) and whatever other word appears with it. This method of using its ONLINE mark corresponds to the applicant's assertion that it has an ONLINE brand: it uses it with other matter depending on context and the divisions of its business. In *Castellblanch SA v Office for Harmonisation in the Internal Market (OHIM)* T-29/04 [2005] ECR II-5309, the General Court ("GC") said:

"33 In the contested decision the Board of Appeal found that there is no precept in the Community trade mark system that obliges the opponent to prove the use of his earlier mark on its own, independently of any other mark. According to the Board of Appeal, the case could arise where two or more trade marks are used jointly and autonomously, with or without the name of the manufacturer's company, as is the case particularly in the context of the automobile and wine industries.

34 That approach must be followed. The situation is not that the intervener's mark is used under a form different to the one under which it was registered, but that several signs are used simultaneously without altering the distinctive character of the registered sign. As OHIM rightly pointed out, in the context of the labelling of wine products joint affixing of separate marks or indications on the same product, in particular the name of the winery and the name of the product, is a common commercial practice."

This was also the position of the GC in *Atlas Transport GmbH v Office for Harmonisation in the Internal Market (OHIM)* Case T-482/08. The case law shows that, in considering the issue of whether the use is of an acceptable variant, it is not necessarily fatal to the applicant's reliance on this mark that it uses other matter with the mark; it depends on the facts of the case. My assessment of the evidence is that where there is use of ONLINE, as registered under mark (i), with other matter, it falls into the *Castellblanch* category of use. The representation of ONLINE in these

instances is separated considerably from the other elements in the manner of a 'house' mark and subsidiary or secondary branding.

19. This finding makes it easier to put the turnover figures into perspective, which are substantial, but unparticularised as to which of the marks they relate. The figures show turnover across the 'online brand' but, given my finding in relation to acceptable variants, the turnover can be considered for mark (i); in any event, even if that mark only represented a fraction of the total turnover, the figure would be unlikely to be negligible.

20. The evidence is not without fault because it requires an element of piecing together to produce a picture as a whole. The evidence has also not been challenged by Mr Spencer. I find that the applicant has met the burden of proving genuine use of CTM 2832244 within the relevant five year period. My next question is whether the use entitles the applicant to rely upon all the services registered under this mark; in essence, I have to decide what is a fair specification based upon the evidence.

21. In *Melis Trade Mark O-345-10*, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

"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."

The applicant's mark is registered in class 39 for *Transport services; shipping, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services, information and advisory services relating to all the aforesaid*. The applicant has made a statement of use in relation to all of these services and relies upon them all in these proceedings. The brochures in exhibits GL3 and GL5 list the following services provided by the applicant during the relevant period:

Warehousing, collections and deliveries, courier services and airfreight collections, pallet services, logistics, transport and booking for third parties via the 'Shuttle' and ferries, loading and discharging of ships, freight carrying and forwarding, haulage and distribution systems.

The services listed in the registered specification are covered by, or cover, the terms listed in the evidence, with the exception of packaging services and information and advisory services relating to all the aforesaid. In relation to the latter, information and advice is a necessary part of providing a logistics service (how best to get something from A to B) to a customer. In relation to packaging services, I am mindful of the requirement not to go too far with sub-division of categories of descriptions of services; I need to keep in mind the perceptions of the average consumer. I consider that packaging and transport services are closely allied;

palletisation and crating are a form of packaging and the various types of transport and warehousing services in the evidence entitle the applicant to rely on this term too.

22. In conclusion, I find that the applicant may rely on all the services in class 39 of CTM 2832244 for the purposes of its section 5(2)(b) and 5(3) grounds.

Section 5(2)(b)

23. The leading authorities which guide me in relation to this section are from the CJEU ("Court of Justice of the European Union"): *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) 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; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*,

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*,

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

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

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

24. The applicant relies upon identical class 39 specifications in its earlier marks. As the only point of similarity between its earlier marks and Mr Spencer's mark is the word ONLINE, it follows that mark (i) presents the applicant's strongest chance of success. This is because the other three earlier marks all contain additional matter which creates further points of difference between them and Mr Spencer's mark. If the applicant cannot succeed on the basis of this mark, it will be in no better position in relation to its other marks. I will therefore confine my analysis to comparing mark (i) with Mr Spencer's mark.

Average consumer

25. The average consumer for the services of both parties, on a notional basis, is both businesses and the general public. The average consumer is reasonably well informed and reasonably circumspect and observant, but his level of attention is likely to vary according to the category of goods or services. Ensuring that items are collected and delivered safely, cost-effectively and on time will mean that the selection of the services is likely to involve a reasonable, but not the very highest, degree of attention. The purchasing process will be primarily visual, such as via brochures, websites and vehicle livery, although I do not ignore the possibility of an aural aspect to the process.

Comparison of goods and services

26. Mr Spencer has stated that some of the services are identical and some are similar to his goods and services, but has not stated which of the services fall into which category. It is necessary for me to determine the level of similarity between the parties' services on account of the interdependency principle: whereby a lesser degree of similarity between the services may be offset by a greater degree of similarity between the trade marks, and vice versa, as a factor in the global appreciation of the likelihood of confusion⁵.

27. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

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

‘Complementary’ was defined by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services included an assessment of the channels of trade of the respective goods or services. In *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J held that:

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

Jacob J also said, in *Treat*:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade”.

⁵ As per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

28. Neither should specifications be given an unnaturally narrow meaning, as per *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, although in the context of a non-use issue, the court considered interpretation of specifications:

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

29. Finally, if goods or services fall within the ambit of terms within the competing specification, they are considered to be identical, as stated by the GC in *Gérard Méric v OHIM*, case T-133/05.

30. The parties’ respective specifications are:

The applicant’s specification	Mr Spencer’s specifications
<p><i>Transport services; shipping, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services, information and advisory services relating to all the aforesaid.</i></p>	<p><i>Non-metal pallets for goods handling and/or loading, transportation and freight, including but not limited to pallets made of wood or plastic.</i></p> <p><i>Transport, freight, distribution, warehousing and logistics services including: the collection and delivery of goods; the transportation of goods including but not limited to transportation by road; goods handling services including: packaging or other conditioning of goods for transportation; the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets; the provision of warehousing or other goods storage facilities; the provision of one or more of the above services via Internet ordering.</i></p>

31. Mr Spencer’s *Transport, freight, warehousing services, logistics services, collection and delivery of goods, the transportation of goods including but not limited to transportation by road, goods handling services including packaging or other conditioning of goods for transportation, the provision of warehousing or other goods*

storage facilities; the provision of one or more of the above services via Internet ordering are identical terms to, or fall within the ambit of, the following terms in the applicant's specification:

Transport services; shipping; freight forwarding; haulage; transportation by air, land and sea; storage; logistics; packaging services.

These services are unlimited as to how they are obtained, and have notional cover for their provision via Internet ordering or booking; therefore, Mr Spencer's positive limitation at the end of his specification does not affect the notional scope of the applicant's services.

32. Mr Spencer's *distribution* is a wide term which encompasses the applicant's courier services, the nature and purpose of which is to transport and deliver/distribute goods. If I am wrong in saying that they are identical, *distribution* services and courier services share the same nature, purpose, channels of trade, method of use and users; they are near-identical.

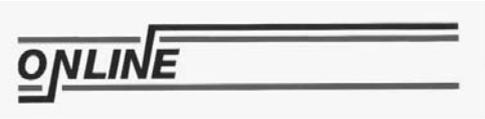
33. Mr Spencer's *provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets*: this service is for the hiring of transportation materials. This would appear to include the hiring of packaging, such as crates, and pallets for stacking items to be transported. The hiring out of such items would be available from the undertaking providing transport services (for instance, removal firms) so the channels of trade would be the same. The services are complementary in the sense that palletisation, for example, is important for the safe transport of items and their removal from the mode of transport. The users would be the customers of the transportation and/or the packaging services. The purpose of hiring transportation materials is to facilitate transportation, so there is a shared purpose. Mr Spencer's services are very similar to, for example, the applicant's transport, storage, packaging, logistics and haulage services.

34. Mr Spencer's goods in class 20 are pallets. The logic outlined above in relation to hiring of, e.g. pallets, follows through to the pallets themselves. There will be shared channels of trade and users. The nature is not the same, as one is a service and the other goods, but the purpose of pallets is to transport or store goods. They are complementary in nature. There is a high level of similarity between Mr Spencer's class 20 goods and, for example, the applicant's transport and storage services.

Comparison of marks

35. The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

36. The respective marks are:

Applicant's mark	Mr Spencer's mark
	

37. Mr Spencer's mark contains three elements, two of which are the words ONLINE and PALLET. These words are contained 'within' the truck device, which is highly stylised and takes up a good proportion of the mark. PALLET is larger and darker than the word ONLINE. Of the three elements in Mr Spencer's mark, ONLINE is the least dominant and distinctive. The truck and the word PALLET share an equal amount of dominance although, given the context of Mr Spencer's goods and services, the word PALLET is descriptive of the goods in class 20 and in relation to palletised transportation services. The truck device is both dominant and distinctive.

38. The applicant's mark is comprised of the word ONLINE, which is graphically configured in such a way that the two Ns have their respective downward and upward strokes extended and bent at (nearly) right-angles in order to form horizontal lines. In the case of the second N, the horizontal lines extend to the right of the word ONLINE to a length which exceeds the length of the word itself. The lines, owing to their configuration and overall proportion in the mark, have a considerable visual impact. The dominant part of the applicant's mark is the word ONLINE, but the word is bound up with the lines: it is not simply the word ONLINE. ONLINE *solus*, at the date of application of Mr Spencer's mark, was a very common way to refer to the use of the Internet, including the carrying out of purchasing transactions via websites as opposed to physical shops: "ordering online". In the applicant's mark, both the distinctiveness and dominance of ONLINE lies in the overall graphical composition of the mark, specifically the way in which the word is integrated with the lines which extend considerably to the right of the word.

39. Assessing the marks visually, there are no lines in Mr Spencer's mark which bear any comparison with those of the applicant's mark. The sole point of visual convergence between the marks is the word ONLINE. The other elements of Mr Spencer's mark are the word PALLET and the stylised truck cabin, the words positioned where the trailer would be. ONLINE is the smallest of the three visual elements of Mr Spencer's mark. Further, the word PALLET and the truck element are much darker in definition than the word ONLINE. ONLINE does not stand out visually more than PALLET and the device; on the contrary, it is less noticeable on account of its smaller proportions and paler definition. Looking at the marks as wholes, there is a low degree of visual similarity between them.

40. Aurally, the truck device does not come into play. Here the comparison is between ONLINE and ONLINE PALLET. The applicant's mark consists of two

syllables; Mr Spencer's consists of four. ONLINE will be the first word heard in Mr Spencer's mark and the only word heard in the applicant's mark. This similarity amounts to half of the verbal/aural elements of Mr Spencer's mark. There is a moderate level of phonetic similarity between the parties' marks.

41. As indicated above, one meaning of the word ONLINE is to be able to carry out supply and purchasing of goods and services via the Internet. Another meaning is that something has become operational. In Mr Spencer's mark I believe the immediate conceptual impression will be of pallets and pallet-related transport services which are ordered online, by virtue of the combination of the words and the truck device. In the applicant's mark, the word is simply ONLINE. For the average consumer, the meaning of ONLINE which I identified as the Internet meaning will be the one which will be uppermost in his mind; online transactions and communicating online are everyday occurrences. I do not think the lines add anything to the applicant's mark from a conceptual point of view. To the extent that both marks involve the online concept, there is similarity; however, Mr Spencer's mark brings more to the table in terms of concept: the concept of his mark is not 'online' simpliciter, but is of transportation involving pallets, accessible online. Overall, the level of conceptual similarity is moderate.

Distinctive character of the earlier mark

42. It is necessary to consider the distinctive character of the applicant's mark because the more distinctive it is, either by inherent nature or by use (nurture) the greater the likelihood of confusion⁶. The distinctive character of a trade mark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the way it is perceived by the relevant public⁷. I have already given my views about the way in which the word ONLINE, without stylisation, will be seen by the average consumer. In the years since the applicant's mark achieved registration and at the date when Mr Spencer's mark was applied for⁸, the 'online' aspect of life has become pervasive and inescapable, such as the proliferation of blogs and social networking sites. The word lacks distinctive character. However, the applicant's mark is not just the word ONLINE; it is stylised in the graphical form described elsewhere in this decision. Its level of inherent distinctive character lies in its configuration but, owing to the lack of distinctiveness of the word element, this is on the low side. The next question to answer is whether the evidence of use which the applicant has filed reveals an entitlement to claim an enhanced level of distinctive character which would take its distinctive character beyond that of a low level.

43. The first point to note is that any claim to enhanced distinctive character must be in relation to the applicant's mark in totality; that is to say, in its stylised form. There is nothing in the evidence to suggest that ONLINE itself has come to denote the applicant rather than the meaning I have described above. The turnover figures

⁶ *Sabel BV v Puma AG* [1998] RPC 199.

⁷ *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

⁸ See, by analogy, the decision of Mr Colin Birss QC in *The Wella Corporation v Alberto-Culver Company* [2011] EWHC 3558 (Ch).

were approaching the £30 million per year mark at the date Mr Spencer filed his trade mark application. However, there is no indication as to market share so it is difficult to put such figures into context. Furthermore, I note that Mr Lane states that the applicant (it is not clear whether this means the ONLINE part of its business) has a fleet of over three hundred vehicles. Again, I cannot put that into context. There is also the fact that most of the use shows the mark used with other marks. Taking the best view of it that I can and erring on the generous side, the use assists the applicant, but only to the point of elevating what is a low level of inherent distinctive character to the level of moderate.

Likelihood of confusion

44. In deciding whether there is a likelihood of confusion between the marks, I must weigh the various factors I have identified. This includes keeping in mind the whole mark comparison and the principle of interdependency. In this regard, I found that the goods and services of the parties ranged from identical to very similar. I also found that the visual and conceptual similarities between the parties' marks were low, with the phonetic aspect of the comparison scoring the highest, although this was only to a moderate level. The relevance of this point is that sometimes the characteristics of the purchasing process for some goods and services are more aural than visual. However, in the instant case, the average consumer's selection and contact with the parties' marks will be primarily visual, such as via brochures, websites and vehicle livery. The more relevant elements of the mark comparison are the visual and conceptual assessments, which are low or moderate in terms of similarity.

45. I bear in mind that there is a rough rule of thumb that the beginnings of marks are important in the perception of marks by the average consumer because this is the part that first strikes the consciousness. It could be said that a natural reading of Mr Spencer's mark would mean that the word ONLINE is the 'beginning' of his mark. That said, to put the rule of thumb into perspective, if the beginning of the mark consists of an element which is a descriptive or common combining form, the importance may be reduced⁹. This is germane to the word ONLINE, which is lacking in distinctive character. The rule of thumb does not apply in this particular case.

46. A feature of the applicant's case appears to be that approximately 10% of its turnover relates directly to its pallet distribution service and that this increases the likelihood of confusion. That part of its business is pallet-related is relevant to the comparison of goods and services, not as another factor. The applicant also points to its use of PalletFORCE (as described in the evidence summary). This is matter extraneous to the applicant's registered mark and so is not an element which can be considered as part of the global evaluation¹⁰.

⁹ *Castellani SpA v OHIM*, T-149/06 and *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, Case T-438/07.

¹⁰ *L'Oreal SA v Bellure NV* [2008] RPC 9, Jacob LJ: "The test is, and must be, founded on the mark as registered, not material which forms no part of that. There is simply no warrant in the Directive for taking more than the registered mark into account. The global appreciation test does not amount to the proposition that once a registered mark is used in marketing, anything, extraneous to the mark used in marketing, comes in too – as though it formed part of the registered mark."

47. Putting the factors together, although the goods and services are identical or very similar, the more relevant aspects of the mark comparison, in view of the purchasing process, reveal only low similarity. Viewing the marks as wholes, the points of difference outweigh the single point of similarity and that single point of similarity is centred on a component (ONLINE) which is not the dominant component of Mr Spencer's mark. It is not an independently distinctive element. The distinctiveness of the applicant's mark lies in its stylised totality. Even in relation to identical services, these differences will not cause the average consumer to be confused as to the origin of the goods or services provided; nor will there be any association in the sense of an assumption that the goods or services are offered by undertakings which are commercially associated. There is no likelihood of confusion. **The section 5(2)(b) ground fails.**

48. The assessment I have made is on the basis of mark (i), which I consider to be the applicant's strongest case since its other marks contain distinguishing material. As I said at the beginning of my assessment under this ground, if the applicant cannot win in relation to identical services for mark (i), it cannot do any better in relation to marks where there are further points of difference, so reducing a likelihood of confusion even further. I do not, therefore, need to look separately at the applicant's other marks. Finally, for the avoidance of doubt, I have made this decision having read and considered all of the papers relating to this case.

Section 5(4)(a)

49. The applicant's case under section 5(4)(a) of the Act does not put it in any better a position than under section 5(2)(b). This is because the applicant relies upon signs and services which are identical to those of the marks relied upon under section 5(2)(b). That being the case, the section 5(4)(a) ground would also fail and so I do not need to deal with it separately.

Section 5(3)

50. It is a pre-requisite of this section of the Act that the earlier mark has the necessary reputation at the relevant date, as per *General Motors Corporation v Yplon SA* [1999] E.T.M.R. 950. As is the situation for the section 5(2)(b) ground, the applicant's best case lies with mark (i). I have discussed above the problems in relation to whether the applicant has a reputation in this mark and, if so, its extent because the mark is consistently used with other marks and there is a lack of information about market share.

51. Adopting the stance that the applicant has a reputation in this mark, which would be consistent with the line I have taken in relation to enhanced distinctive character (paragraph 43), establishing that there is a sufficient reputation is only the first step in the conditions necessary for success under section 5(3) of the Act. The applicant must also establish that there would be a link between the marks, as per the CJEU's judgment in *Intel Corporation Inc. v CPM United Kingdom Limited*, Case C-252/07¹¹.

11. "1. Article 4(4)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that whether there is a link, within the meaning of Case C-408/01 *Adidas-Salomon and Adidas Benelux*, between

Although it is unnecessary to find that there is a likelihood of confusion in order to find that there is a link¹², my comments in relation to the similarity of marks also lead me to conclude that there is insufficient similarity between the marks, even in relation to identical services (as opposed to dissimilar services) to cause the average consumer to bring the applicant's mark to mind. Similarity based purely upon the non-distinctive word ONLINE is unlikely to be enough to create the necessary link because the average consumer will see ONLINE for what it is: a descriptive word. At best, any bringing to mind would be fleeting and then dismissed because of the perception of ONLINE as a description. There would be no link strong enough to convey any advantage to Mr Spencer or cause any detriment to the applicant. **The section 5(3) ground fails.**

Costs

52. Mr Spencer has been successful and is entitled to a contribution towards the cost of the time he has spent on these proceedings. The Registrar usually operates on a published scale of costs¹³. However, since Mr Spencer has not been professionally represented for some of the time during the proceedings, an award made from the published scale might be larger than his actual expenditure. In BL O/160/08 *South Beck*, Mr Richard Arnold QC, sitting as the appointed person, stated:

“32. Secondly, counsel for the opponent submitted that, if CPR r. 48.6 was applicable, the hearing officer had misapplied it. In support of this submission he pointed out that CPR r. 48.6(4) provides:

the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

2. The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.”

¹² *Ferrero SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-552/09 P: “53 It is true that those provisions differ in terms of the degree of similarity required. Whereas the implementation of the protection provided for under Article 8(1)(b) of Regulation No 40/94 is conditional upon a finding of a degree of similarity between the marks at issue such that there exists a likelihood of confusion between them on the part of the relevant section of the public, the existence of such a likelihood is not necessary for the protection conferred by Article 8(5) of that regulation. Accordingly, the types of injury referred to in Article 8(5) may be the consequence of a lesser degree of similarity between the earlier and later marks, provided that it is sufficient for the relevant section of the public to make a connection between those marks, that is to say, to establish a link between them (see, to that effect, *Adidas-Salomon and Adidas Benelux*, paragraphs 27, 29 and 31, and *Intel Corporation*, paragraphs 57, 58 and 66).

54 On the other hand, it is not apparent either from the wording of those provisions or from the case-law that the similarity between the marks at issue must be assessed in a different way, according to whether the assessment is carried out under Article 8(1)(b) of Regulation No 40/94 or under Article 8(5).”

¹³ Tribunal Practice Notice 4/2007.

The amount of costs to be allowed to the litigant in person for any item of work claimed shall be-

(a) where the litigant can prove financial loss, the amount that he can prove he has lost for time reasonably spent on doing the work; or

(b) where the litigant cannot prove financial loss, an amount for the time reasonably spent on doing the work at the rate set out in the practice direction.

The Part 48 Practice Direction provides at paragraph 52.4 that the amount which may be allowed to a litigant in person under rule 46.8(4) is £9.25 per hour. Counsel submitted that the hearing officer appeared to have awarded the applicant two-thirds of the scale figure which he would have awarded a represented party, and that this could not be justified since the opponent had not proved any financial loss and was very unlikely to have spent over 160 hours on the matter.....

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.”

Under the current practice direction, the amount allowed to a litigant in person is £18 per hour.

53. Consequently, Mr Spencer should produce an estimate of his costs, including the number of hours that he has spent on these proceedings, broken down by category of activity, e.g. preparing evidence, and giving details of the parts of the proceedings where he was professionally represented. This should be filed within 21 days of the date of this decision and should be copied to the other side’s professional representatives, who will have 10 days from receipt of the estimate to provide written submissions. I will then issue a supplementary decision covering the costs of these proceedings.

54. The period for any appeal against this decision will run concurrently with the appeal period for the supplementary decision on costs and so will not commence until the supplementary decision is issued.

Dated this 15th day of February 2012

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