

O-099-04

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 12038
BY REED SOLUTIONS PLC
FOR A DECLARATION OF INVALIDITY
IN RESPECT OF TRADE MARK No 1581787 (now merged with 1581790)
REEDBASE
IN THE NAME OF REED BUSINESS INFORMATION LIMITED

DECISION

1) Trade Mark No 1581787 REEDBASE stands registered from the filing date of 12 August 1994 for the following specification in Class 35: **A**Business and commercial information services; computer based storage and retrieval of business, commercial and of advertising information; business research; all included in Class 35@.

2) By an application dated 30 October 2000 Reed Solutions Plc applied for a declaration of invalidity in respect of this registration. The grounds are in summary:

a) The mark is in breach of Section 3(1)(b) in that it consists of a common surname in combination with the word **A**base@a descriptive and non-distinctive word and, at the time of application, the registrant failed to show that the mark applied for had acquired a distinctive character in relation to the goods and services for which it is registered.

b) The mark in suit should be declared partially invalid on the grounds that the evidence used to overcome the initial objection under Section 3(1)(b) was insufficient to warrant acceptance of such a wide specification.

c) The applicant has the trade mark number 1296450 REED registered for **A**employment agency services@in Class 35 which it has used extensively. Therefore the mark in suit should be declared invalid under Section 5(2)(b) and 5(4)(a).

d) The applicant also relies upon the Particulars of Claim Number HC 000 3439 dated 31 July 2000 which states in summary:

i) That the applicant has, since May 1960, used the trade mark REED on employment agency services and recruitment services. That the mark has been extensively advertised, and is used through 274 branches operating in 182 locations throughout the UK.

ii) Since 1995 the mark REED has also been used for the provision of services online including recruitment services, such as job searching facilities, interactive training, recruitment and career information and advice.

iii) Turnover and advertising figures for services under the REED mark are as follows:

Year	Turnover £	Advertising £
1995	150,242,000	2,371,715
1996	191,013,000	2,706,390
1997	226, 929,000	4,284,459
1998	243,882,000	3,973,265
1999	293,712,000	5,444,601

3) The registered proprietor filed a counterstatement denying the above grounds, and also claiming, in the alternative, that the mark has acquired a distinctive character as a result of the use made of it after registration.

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

5) Both sides filed evidence in these proceedings and the matter came to be heard on 23 April 2003 when the applicant was represented by Ms Himsworth of Counsel instructed by Messrs Grant Spencer Caisley & Porteous. The registered proprietor was represented by Ms Michaels of Counsel instructed by Messrs DJ Freeman.

APPLICANT'S EVIDENCE

6) The applicant filed four statutory declarations. The first, dated 1 July 2002, is by Jacqueline Helen Simpson, the applicant's Trade Mark Attorney. Ms Simpson states that she has been unable to view the documents filed in support of the registered trade mark as it is not open to public inspection. However, she states that documents in the files for trade marks 2111878 REED RETAIL INFORMATION and 2147163 REED CATERING GROUP state that similar documents were filed in all three cases. She provides copies of documents from 2111878 and 2147163 and comments on them. However, it is clear from the proprietor's evidence that much of the evidence provided in the exhibits from 2111878 & 2147163 was not filed as part of the examination process for the mark in suit. I have therefore not detailed this evidence. Further, I do not find Ms Simpson's comments on any of the documents exhibited of assistance and so have not summarised them.

7) The second declaration, dated 29 July 2002, is by Derek Beal the Group Finance Director of Reed Executive Plc the parent company of Reed Solutions Plc.

8) Mr Beal states that when he joined Reed Employment in 1989, Reed Executive Plc (the parent company) had central control of all Reed group companies and trading divisions, all of which, he claims, carried out business under the **Reed** trade mark, this include a division entitled **Reed Technical, Industrial and Catering**. An organisation chart showing a link between the two companies is provided at exhibit DB1. He states that during the early nineties the different companies were merged into a single operating unit. He states that in April 2000 these units were again split up but all still trade under the **Reed** mark and still offer recruitment

services. The new structure, at exhibit DB2, has no division/subsidiary with Acatering@as part of its title. At exhibits DB3-4 he provides turnover and advertising figures for the services provided under the REED mark in the UK. These are as follows:

Year	Turnover £	Advertising £
1992	82,346,000	n/a
1993	89,813,000	n/a
1994	115,255,000	n/a
1995	150,242,000	2,472,070
1996	191,013,000	2,855,018
1997	226,926,000	4,469,511

9) The third declaration, dated 1 August 2002, is by Joan Edmunds the Legal Director of Reed Executive Plc. She states that Reed Executive Plc has a range of subsidiaries which have specialised in the provision of employment agency services, recruitment services and other related services, all offered under the REED trade mark.

10) Ms Edmunds makes extensive reference to the High Court case HC00003439 which featured the same parties as the instant case. At exhibit JE1 is a copy of the judgement in the case. I do not intend to summarise it here but will refer to it as and when it is relevant in the decision.

11) At exhibit JE2-3 Ms Edmunds provides copies of two statements which also featured in the above High Court proceedings. She states that these statements were not challenged at the time by the proprietor in the instant case.

12) At exhibit JE2 is a copy of a statement, dated 23 November 2001, by Elizabeth Anne Christie, the Director of Property and Purchasing for Reed. Ms Christie states that she has been an employee of the Reed Group since 1976 and has primarily been involved in the marketing and advertising activities of the group. Ms Christie states that in 1995 the company established a recruitment website on the internet, AReed.co.uk@. She provides details of the activities of the Reed Group in promoting their recruitment services to both those seeking employment and those seeking employees. Although a number of the extensive exhibits are undated or dated after the relevant date, it is clear from those that are dated prior to the relevant date that the name REED has been used extensively in all advertising mediums in relation to employment services. It is also clear that the group has achieved significant media coverage via various activities.

13) At exhibit JE3 is a statement, dated 30 November 2001, by Catherine Lucy Nicholson, the Director of Marketing Communications at Reed Executive, the parent company of Reed Solutions plc. She states that the REED brand has been actively marketed and promoted in the field of employment and recruitment since the 1960s. She provides a list of corporate marks all of which feature the word REED prominently with other descriptive words in smaller font

underneath such as, inter alia, **Accountancy Personnel**, **Banking Personnel**, **Corporate Solutions**, **Employment Solutions**, **Graduates**, **Insurance Selection** and **Social Care Personnel**. Ms Nicholson provides an extensive range of exhibits which show that these corporate marks have been advertised and promoted through a range of mediums and that activities have generated considerable publicity. In August 2000 Ms Nicholson took control of online advertising and was provided with a budget of , 500,000 per annum. She purchased the word **REED** on the **Aexcite** search engine but found that **Reed** on **Yahoo** had been purchased by totaljobs.com from 24 November 1999 until 4 November 2000. This meant that if anyone typed the word REED into the Yahoo search engine an advertisement for totaljobs.com would appear.

14) Lastly Ms Edmunds states that in her view the word **Abase** is suggestive of a database. She states that on the Reed Group's website the word **Adatabase** is used in close proximity to or in conjunction with the REED mark. At exhibit JE4 she provides a copy of pages from the database, dated 29 July 2002. However, it is not clear from this exhibit that the word database is used in conjunction with the mark REED.

REGISTERED PROPRIETOR-S EVIDENCE

15) The proprietor filed three witness statements. The first, dated 14 October 2002, is by Alexander Victor Carter-Silk a solicitor working for the proprietor's trade mark agency. He confirms that the mark in suit was supported by a statutory declaration dated 9 August 1995 by Mr Tony Bossons. A copy of this is provided at exhibit AVCS1. At exhibit AVCS2 he too provides a copy of the High Court Judgement HC 0003439 of 20 May 2002.

16) Mr Bossons provided a declaration dated 9 August 1995. He states that he is an International Financial Accountant at Reed Information services, a division of Reed Telepublishing Ltd, itself a division of Reed Elsevier Plc. The facts in his declaration are taken from company records and from his own personal knowledge. He provides background information regarding the global business of Reed Elsevier Plc. As a very large company Reed Elsevier Plc has a number of divisions and subsidiary companies. He states that **AI** can say that in the publishing and ancillary fields the trade mark REED is exclusively associated with the group of companies which make up Reed Elsevier Plc and by being part of that group the trade mark REED is distinctive of products produced by my company.

17) Mr Bossons provides figures for the global and UK turnover of Reed Elsevier Plc and also figures for Reed Information Services. However, it is not clear what products or services were involved nor, in the case of Reed Information Services, whether the sales relate to the UK.

18) I do not intend to summarise the judgement in relation to case no HC0003439 at exhibit AVCS2. I will refer to it as and when it is relevant in my decision.

19) The second statement, dated 14 October 2002, is by Mark Vickers Kelsey the Chief Operating Officer of Reed Business Information Limited (RBI). He states that the proprietor is a **Aglobal publisher that concentrates on four key areas of business:- science; legal; education and business-to-business publishing**. He also states:

It is my understanding that it is widely believed both within and outside RBI that one of RBI's core skills is as a recruitment advertiser. Indeed, RBI generates the greatest coverage of industry specific recruitment advertising of any publisher in the UK. Recruitment advertising generates in the region of 20 percent of RBI's revenue and RBI has approximately 5 percent market share of the whole recruitment advertising market in the United Kingdom.

20) Mr Kelsey states that RBI's specialist trade journals have for many years carried recruitment advertising at the back of the magazine. He provides evidence of this in exhibit MVK1 pages 44-55.

21) Mr Kelsey claims that the applicant has placed advertisements in RBI's publications over many years. He also claims that the two parties are not in competition as they are not in the same business. He states that RBI also provide other recruitment services such as salary surveys which give advice to advertisers on salary levels, publications dealing with career opportunities and summits with major recruitment advertising agencies to discuss key recruitment issues.

22) Mr Kelsey states that the advent of the internet has fundamentally changed the nature of recruitment advertising as the on-line cost of advertising is considerably less than the cost of the printed version. In order to maintain revenue each magazine determined its own strategy. Some accepted advertisements for their internet site only, whilst others insisted on both printed and on-line advertising being purchased.

23) Mr Kelsey states that each RBI magazine has a banner title and each is promoted using the magazine title as the primary brand. These include titles such as Computer Weekly, Personnel Today, Caterer and Hotel Keeper, Farmers Weekly and New Scientist. He also claims that:

When RBI launches a new title it also tends to rely, initially, on the strength of the RBI brand to market it in order to give it credibility. For example, as explained, many of the titles fall within particular market sectors and will also be marketed in groups or clusters using Reed plus the cluster title as a secondary brand. For example, Reed healthcare comprises among other publications, Doctor, Hospital Doctor, Practice Nurse, Update and Update Plus.

24) Mr Kelsey states that RBI rarely engages in corporate advertising, although each magazine carries a notice stating that Reed Business Information Ltd (RBI) is the copyright owner and the owner of the magazine.

25) The third statement, dated 14 October 2002 is by Paul Robert Charles Sissons, a Director of RBI and Head of RBI Recruitment, which he states is a department representing the recruitment and classified sales operations across 11 out of RBI's 15 key recruitment titles and 10 recruitment web products.

26) Mr Sissons explains that a recruitment title is a publication that includes a large recruitment advertising section. He states that examples of such are New Scientist, Estates Gazette, Community Care and Computer Weekly. He states that *RBI Recruitment* is a name used (externally only if necessary) to describe the portfolio of recruitment titles. He describes

the applicant as being an employment agency which he defines as An organisation whose primary purpose is to place candidates in jobs and earn fees from doing so@. He contrasts this to his organisation where the responses to an advertisement do not go to RBI but to the organisation who placed the advertisement.

27) Mr Sissons states that:

AThe primary branding in relation to Ageneral@recruitment activities will usually appear somewhere on the product, flyer or invitation. This will usually be AReed Business Information@together with our globe logo.@

28) At pages 70-76 of exhibit PRCS1 are invoices from RBI to the applicant for advertisements taken out in RBI's publications. These show that a number of the applicant's companies have advertised in a variety of the registered proprietor's publications such as ANew Scientist@, AComputer Weekly@, ACommunity Care@and AEstates Gazette@. He also states that from 1987 - 1996 his company exhibited at the Chartered Institute of Personnel and Development (CIPD) conference under the name Reed Business Publishing. He describes this as AThe@event for the human resource sector. He provides brochures at pages 86-140 of exhibit PRCS1. However, he states that the applicant's stand is different to the RBI stand, he describes it thus AThe >Reed= brand is clearly visible, unlike the RBI stand where the RBI logo is secondary to journal brands@. He explains that the company carries out salary surveys which are printed in its publications such as those previously mentioned.

REGISTERED PROPRIETOR'S ADDITIONAL EVIDENCE

29) The registered proprietor filed two witness statements. The first, dated 15 April 2003, by Alan Peter Bernard the proprietor's Trade Mark Attorney. He states that Ait is clear that the registered proprietor's long and significant use of the trade mark REEDBASE itself on the services covered by this registration has not been shown in the evidence@. To address this the proprietor filed the second witness statement, dated 10 April 2003, by Peter Jeremy Snook, who has worked for parts of the Reed Elsevier group since 1973. He currently works for Reed Business Information Ltd (RBI).

30) Mr Snook states that RBI or their predecessors in title have published printed directories under the KOMPASS name for forty years. He states that these directories are very well known and are sold all over the world. Mr Snook claims that in 1994 an electronic version of the directories was launched under the name REEDBASE, although the name KOMPASS was still used alongside it for continuity. The information contained on the CD-ROMS and online service was, he states, similar to that which had been provided in Kompass directories, namely information on companies, businesses and their products and covered businesses throughout the world.

31) Mr Snook claims that virtually all the sales were within the UK with sales of products bearing the name REEDBASE being approximately , 3 million per annum during the period 1995-2000. Of this he states that approximately , 200,000- , 300,000 was attributable to the on-line service. The product was available in libraries and so the exposure was greater than the

number of subscribers. Mr Snook provides six exhibits. At PS1 is a copy of a press release dated 6 December 1994 which refers to REEDBASE as the name of the information database. Exhibit PS2 consists of an explanatory sheet about the service. Although undated Mr Snook states that it was issued in 1995. It shows use of the term REEDBASE. At exhibit PS3 is a pricelist for REEDBASE KOMPASS online dated February 1996. At exhibit PS4 is an undated leaflet said to have been issued in 1995/96. At exhibit PS5 is a copy of a price list for the REEDBASE CD-ROM dated 1996. At exhibit PS6 is an example of a CD-ROM for Eastern Europe which has REEDBASE KOMPASS shown on it.

APPLICANT-S EVIDENCE IN REPLY

32) The applicant filed two witness statements in reply. The first, dated 20 June 2003, is by Paul William Scope a solicitor working in the applicant-s legal department. At exhibit PWS1 Mr Scope provides a copy of a report prepared following a search of certain of the proprietor-s websites, their annual reports and also the internet search engine. The researchers sought evidence of use of the term REEDBASE. Mr Scope states that the report shows:

\$ The last recorded use of the trade mark REEDBASE was dated April 1998 (the registered proprietor has already accepted that the mark was not used prior to 12 August 1994).

\$ The mark REEDBASE was referred to in the proprietor-s annual reports during the period 1995-97 inclusive.

\$ The mark REEDBASE was not used *solus* but always as part of the mark REEDBASE KOMPASS. The name Kompass being an existing well known mark.

33) Mr Snook comments that the turnover figures are very general, not showing actual year on year sales. He also points out that they do not identify the products sold under the trade mark, nor whether they include sales outside the UK. He also claims that his researchers were informed by a member of the proprietor-s sales team that Reedbase/Kompass on-line was withdrawn due to poor sales figures. He also questions whether the proprietor had shown use across the whole of the specification.

34) The second witness statement, dated 20 June 2003, is by Stephen Anthony White a senior investigator at Farncombe International Ltd. He states that he was instructed to investigate the use made in the UK of the trade mark REEDBASE. He summarises his findings thus:

A(a) At present, the proprietor does not appear to be marketing any products in the UK under the REEDBASE name.

(b) REEDBASE was used during the period 25 December 1996 to at least 2 July 1997 in connection with certain electronic publications originally marketed under the name AKompass@. It has been confirmed by a member of Reed Business Information sales team that the REEDBASE name was dropped by the proprietor two years ago when the Kompass name was reintroduced.

(c) REEDBASE is not used on the proprietor's current product literature or its websites; kompass.co.uk, reedbusiness.com and reedbusiness.co.uk. The most recent reference to REEDBASE that I could find on the proprietor's archived websites was dated 2 July 1997.

(d) Although several archived pages from the website reedinfo.co.uk would appear to indicate that in 1996 and early 1997 there was limited use of REEDBASE alone, there is no indication that this continued in later years. In fact, the results of my investigation suggest that in recent years REEDBASE was used by the proprietor in the UK only in combination with the word Kompass. It is not clear how the mark was used prior to 1996 although a general search of the web on the word REEDBASE demonstrated that about half of the results returned referred to REEDBASE KOMPASS and a good proportion of the results related to use of the mark by third parties unconnected with the proprietor.

(e) A search of third party library/information services literature (such as journals, newsletters and conference papers) via 11 Dialog subscription databases revealed only seven references to REEDBASE. All such references related to literature published between 1995 and 1998.@

35) That concludes my summary of the evidence.

DECISION

36) Trade Mark 1581787 REEDBASE was merged with trade mark 1581790 on 4 April 2001. Therefore should the invalidity action be successful it will affect this registration.

37) At the hearing there was a preliminary point regarding additional evidence which the applicant sought to file six days prior to the hearing. Ms Michaels could not provide an adequate explanation as to why this evidence was not filed earlier in the proceedings given that the first hearing in this case had been adjourned for the filing of additional evidence. Ms Michaels acknowledged that she had reservations as to the extent to which the evidence, comprising of Internet searches, would assist me in my decision. For the proprietor, Ms Himsworth objected to the evidence being accepted into the case at such a late stage without the opportunity of being able to adequately consider whether her client should file evidence in reply. As I agreed with the reservations of Ms Michaels regarding the usefulness of the evidence and also bearing in mind the prejudice to the proprietor of allowing in further evidence without providing an opportunity to reply I ruled that the evidence should not be allowed into the case.

38) The request for the declaration of invalidity is made under the provisions of Section 47(1) & (2) of the Act. These state:

A47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that

section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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.@

39) The application is based upon Sections 3(1)(b), 5(2)(b) and 5(4)(a). I shall deal first with the ground under Section 3(1)(b) which reads:

A3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c)
- (d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.@

40) At the hearing I was referred to the *Red Letter* case O/150/03 where the Hearing Officer provided a summary of the principles to be followed in applying Section 3, gleaned from a number of authorities including *Cycling IS...* Trade Mark Applications [2000] RPC 37 and the ECJ cases of *Libertel Group BV V Benelux Markenbureau*, Case C-104/01 and *Linde AG (and others) v Deutches Patent-und Markenamt*, Joined Cases C-53/01 to C-55/01. The principles were summarised as follows:

\$ the exclusions from registrability contained in Section 3/Article 3 are there to ensure that trade marks whose use could successfully be challenged before the Courts are not registered. The defence available to other traders by virtue of Section 11/Article 6 does not obviate the need for a »stringent and full examination« in order to prevent trade marks from being improperly registered (*Cycling IS* paragraphs 40-42 and *Libertel* paragraphs 57-59);

\$ an objection under Section 3(1)(b) operates independently of objections under Section 3(1)(c) (*Cycling IS* paragraphs 43-45 and *Linde* paragraphs 67-68);

\$ for a mark to possess a distinctive character it must identify the product (or service) in

respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);

§ it is legitimate, when assessing whether a sign is sufficiently distinctive to qualify for registration, to consider whether it can be presumed that independent use of the same sign by different suppliers of goods and services of the kind specified in the application for registration would be likely to cause the relevant class of persons or at least a significant proportion thereof, to believe that the goods or services on offer to them come from the same undertaking or economically-linked undertakings (*Cycling IS* paragraph 53);

§ a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel* paragraphs 72-77 and *Cycling IS* paragraphs 54-61);

§ the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

41) The proprietor did not dissent from that fact that these are proper considerations. The proprietor's sign REEDBASE is registered for Business and commercial information services; computer based storage and retrieval of business, commercial and of advertising information; business research; all included in Class 35. The evidence of use has been detailed earlier in the decision.

42) The applicant contends that the mark consists of a surname and an ordinary dictionary word and that as such evidence of distinctiveness is required. They contend that the evidence provided at the time of registration was evidence of use of Reed Business Information and/or Reed Elsevier rather than use of Reed simpliciter or the mark in suit. Ms Himsforth contended that the proprietor was claiming distinctiveness by proxy and referred me to the comments of Mr Geoffrey Hobbs, acting as the Appointed Person in the *Kraft Jacobs Suchard* case (BL O/106/03) where at paragraphs 19 & 20 he said:

A19. In other words, the Applicant maintains that **TOBLERONE** = (*in cross-section*) and (*in cross-section*) = **TOBLERONE** irrespective of the actual proportions of the triangular shape applied to the relevant confectionery or its packaging and irrespective of whether the relevant confectionery is presented either in elongated form or in segmented form as depicted in this paragraph.

20. That is a bold proposition. It postulates that, for lack of any material difference between them, the shape now put forward for protection should be assimilated to the generally well-known shape of the TOBLERONE confectionery and packaging identified in the preceding paragraph. However, the overall shapes are clearly different. There is no evidence to substantiate the proposition that consumers would assimilate them in the way that the Applicant suggests and I think they are different to a degree

which dictates that they should not be assimilated for the purposes of the assessment required by Section 3(1)(b).@

43) Whilst I accept some of the applicant's comments regarding the evidence of use filed by the proprietor I do not accept the basic contention that the mark, REEDBASE, would be viewed as a surname with an ordinary dictionary word attached. The mark in suit is a single word, the first part, although a surname, also has a meaning relating to grasses which grow in watery areas. To my mind the word BASE is not a natural way of describing the services for which the mark is registered. I accept that a database of information underpins these services but no evidence has been provided to show that BASE would be viewed as the shortened version of database. I accept that to hold that a sign must be regarded as distinctive if it is not wholly descriptive of the goods concerned, or their characteristics, would be contrary to everyday experience. However, in the instant case the average consumer would view the mark as a whole and would not equate it to AReed database@

44) Consequently in my opinion the mark is inherently distinctive and does not require evidence of acquired distinctiveness. I regard the proprietor's mark to be origin specific rather than origin neutral. The mark in suit would not, to my mind, be viewed as a surname mark and so the application for a declaration of invalidity under Section 3(1)(b) fails.

45) I turn now to the ground of invalidity under Section 5(2) which reads:

A5.-(2) A trade mark shall not be registered if because -

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

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

46) An earlier right is defined in Section 6, the relevant part of which states:

A6.-(1) In this Act an "earlier trade mark" means -

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

47) The applicant's UK Trade Mark registration number 1296450 has a filing date of 23 December 1986. The mark is registered for AEmployment agency services included in Class 35@. It is therefore, an earlier trade mark for the purposes of Section 5(2).

48) In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel Bv v Puma AG* [1998] RPC 199, *Canon*

Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc. [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. 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* page 224;

(b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG* page 224, 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.* page 84, paragraph 27;

(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* page 224;

(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* page 224;

(e) 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-Meyer Inc.* page 7 paragraph 17;

(f) 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* page 8, paragraph 24;

(g) 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* page 224;

(h) 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* page 732, paragraph 41;

(i) 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-Meyer Inc.* page 9, paragraph 29.

49) In essence the test under Section 5(2) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different

elements taking into account the degree of similarity in the goods and/or services, the category of goods and/or services in question and how they are marketed. Furthermore, I must compare the mark registered for and the applicant's registration on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications, also taking account of any reputation the marks may have developed.

Similarity of goods and services

50) The applicant's mark REED is registered for Aemployment agency services included in Class 35@. The registered proprietor's mark REEDBASE is registered for ABusiness and commercial information services; computer based storage and retrieval of business, commercial and of advertising information; business research; all included in Class 35@.

51) In comparing the two specifications I take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

AIn 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.@

52) To my mind although the specifications both consist of services in Class 35 they relate to quite different services. The applicant's business is highly specific and specialised and is not encompassed within the proprietor's specification. I do not regard the services of the two parties as similar.

Similarity of marks

53) The applicant's mark is REED whilst the mark in suit is REEDBASE. Clearly they share the initial four letters. Whilst I accept the dictum that the beginnings of words are more important than the endings I must also take into account that the average consumer views trade marks as wholes. To my mind the differences are such that the marks cannot be regarded as being visually or phonetically similar. In my opinion the average consumer would view the applicant's mark as being a surname whilst the proprietor's mark suggests that it should mean something although quite what is not clear. The marks are not similar.

Reputation

54) The applicant has shown that it has a significant reputation in its REED mark for employment agency services. The proprietor cannot claim to have any reputation in its mark.

Likelihood of confusion

55) To my mind both parties services Aemployment agency services@and ABusiness and commercial information services; computer based storage and retrieval of business, commercial and of advertising information; business research@are services which would I suggest be chosen

with some consideration. These are also the types of services which often are conducted face to face and after careful selection. The average consumer of such services would, in my opinion, exercise some care in the selection.

56) With all of this in mind I come to the conclusion that when all factors are considered, that there was no likelihood of confusion. Consequently, the invalidity application under Section 5(2)(b) fails.

57) I next turn to the ground of opposition under Section 5(4)(a) which reads:

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

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.

58) In deciding whether the mark in question *AREEDBASE* offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

The question raised by the Grounds of Opposition is whether normal and fair use of the designation *WILD CHILD* for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

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

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

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

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

59) While earlier in this decision I found that the applicant had a reputation in relation to employment agency services I also found that use of their trade mark, actual or on a fair and notional basis, would not result in confusion with the mark in suit. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The ground of invalidity based upon Section 5(4)(a) therefore fails.

Conclusion and costs

60) The application for invalidity having failed the proprietor is entitled to a contribution towards costs. I have taken into account the fact that this case was one of three, with substantially the same evidence and issues. All three cases were dealt with at the same hearing with effectively, common skeleton arguments. The normal contribution to costs has therefore been reduced to take account of these factors. The proprietor is entitled to , 1,600 towards costs.

61) I must also take into account the fact that the initial hearing in this case was adjourned in order for additional evidence from the proprietor to be accepted into the case. At that hearing the proprietor accepted that the costs specific to that hearing (Athrown away costs@) would be borne by them. These were identified as being , 7,120.67. However, to my mind the number of hours shown on the schedule of costs are excessive given that they are supposed to relate only to Athrown away costs@. Therefore I will allow only , 3,500 for these costs.

62) Offsetting the costs awarded for the overall success against the costs of the earlier adjournment, I order the proprietor to pay the applicant the sum of , 1,900. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of April 2004

George W Salthouse
For the Registrar
The Comptroller-General