

O-104-09

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2410422  
FOR REGISTRATION BY STANLEY EDWARD SNELGROVE  
OF THE TRADE MARK

**SPARKLYCARD**

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO 94627  
BY BARCLAYS BANK PLC

## TRADE MARKS ACT 1994

IN THE MATTER OF application  
No. 2410422 for registration by  
Stanley Edward Snelgrove of the  
trade mark SPARKLYCARD  
and in the matter of opposition  
thereto under No. 94627  
by Barclays Bank PLC

### **Background**

1. Application No 2410422 for the mark SPARKLYCARD was filed on 4 January 2006 and stands in the name of Stanley Edward Snelgrove. Registration is sought in respect of the following goods and services:

#### Class 9

*Apparatus for processing card transactions and apparatus for verifying data on magnetically encoded cards; cartridges, discs, tapes, cards and other recording materials, all for collecting, processing and/or storing data and for bearing computer programs and data; magnetic data carriers, recording discs; computer software and programs; computer hardware; computer memories; computing apparatus and print-out apparatus; printers; magnetic cards; magnetically encoded and smart (programmable) cards.*

#### Class 36

*Insurance services; insurance broking services; financial affairs; monetary affairs; banking services; administration of financial affairs; trustee services; cash management services; factoring services; invoice discounting services; cash dispensing services; loan services; mortgage services; credit services; credit card, charge card, bank card, cheque guarantee card, payment card and debit card services; registration services for credit cards, charge cards, cash cards, cheque guarantee cards, debit cards, payment cards, financial cards and purchase cards; card and cash replacement services; incentive schemes relating to the use of credit cards, cash cards, debit cards, payment cards, financial cards and purchase cards; processing of financial information relating to card transactions and other payment transactions; provision of finance, money exchange and money transmission services; currency services, bureau de change services; foreign exchange services; consultancy, information and advisory services relating to all the foregoing.*

2. Following publication in the *Trade Marks Journal* Notice of Opposition was filed on behalf of Barclays Bank Plc (*hereafter "Barclays"*). The grounds of opposition as originally filed are, in summary,

- Under section 5(2)(b) of the Act based on Community Trade Marks 2315554 and 2121085 and UK trade mark registration Nos. 2262370A and 1286580;
- Under section 5(3) of the Act based on Community Trade Marks 2315554 and 2121085;

- Under 5(4)(a) based on the use of the marks BARCLAYCARD and BARCLAYS.

Details of the earlier marks relied on are as follows:

<p>UK 1286580 BARCLAYCARD</p>	<p>Credit, credit card and charge card services; all included in Class 36</p>
<p>UK 2262370A</p> 	<p>Class 9 Magnetic and magnetically encoded cards; programmable cards; smart cards; cards for bearing data; credit, charge, debit and/or cash cards; prepayment cards; cheque guarantee cards; cards; telecommunications equipment, apparatus and installations; telephone handsets; mobile communications equipment</p> <p>Class 16 Printed matter; publications, magazines; cards</p> <p>Class 36 Credit and loan services; credit, charge, debit and cash card services; cheque authorisation and guarantee card services; payment or transaction authorisation services and settlement services; insurance services; discount card services</p>
<p>CTM 2121085</p> 	<p>Class 9 Scientific, nautical, surveying, electric, electronic, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; apparatus for processing card transactions and data relating thereto and for payment processing; apparatus for verifying data on magnetically encoded cards; cartridges, discs, tapes, cards and other recording materials, all for collecting, processing and/or storing data and for bearing computer programs and data; magnetic data carriers, recording discs; video recordings; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, apparatus for input, output, storage and/or processing of data; data processing equipment, computers; computer software and programs; computer hardware; computer memories; computing apparatus and</p>

print-out apparatus; printers; magnetic cards; magnetically encoded and smart (programmable) cards; telecommunications equipment, installations and apparatus; telephones and telephone handsets; communication apparatus and installations; mobile communications equipment; portable telephone; pagers; telephone answering machines; fire-extinguishing apparatus

#### Class 16

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; books, booklets, catalogues, magazines; periodical publications; manuals; travellers' cheques, money orders, money drafts; cheques; cardboard and plastic cards; materials for the recordal of computer programs and data; book binding materials; photographs; stationery; writing instruments; files and folders; document wallets; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.

#### Class 36

Insurance and life assurance services; insurance broking services; actuarial services; financial affairs; monetary affairs; real estate affairs; valuations and financial appraisals of property; property acquisition and management services; rental, letting, lease and sale of properties; rental of office space; leasing services; banking services; administration of financial affairs; trustee services; charitable fund raising services; administration of mutual funds; mutual funds services; cash management services; factoring services; invoice discounting services; cash dispensing services; loan services; mortgage services; mortgage broking services; provision of security for loans; bail bonding services; credit services; lease purchase financing, hire purchase financing; credit card, charge card, cash card, cheque guarantee cards, debit cards, payment cards, financial cards and purchase cards; card and cash replacement services; user incentive

	<p>schemes relating to the use of credit cards, charge cards, cash cards, debit cards, payment cards, financial cards and purchase cards; rental, hire and leasing of equipment for processing financial cards and data relating thereto; processing of data relating to card transactions and other payment transactions; provision of finance, money exchange and money transmission services; currency services, bureau de change services; foreign exchange services; merchant banking and investment banking services; investment and saving services; investment management services; brokerage of bonds, securities, commodities and futures; market making services; securities valuation services; share underwriting services; securities lending services; dividend collection services; payment collection services; underwriting services; unit trust services; securities services; personal equity plan services; tax services; financial planning and investment advisory services; investment and financial planning management services; financial research services; pension fund services; provision of financial information; electronic stock transfer services; safe-keeping, administration and valuation of investments; collateral agency services; securities custody services; consultancy, confirmation and advisory services relating to all the foregoing</p>
<p>CTM 2315554 BARCLAYS</p>	<p>Class 9 Apparatus for recording, transmission and/or reproduction of sound and/or images; apparatus for processing card transactions and data relating thereto and for payment processing; apparatus for verifying data on magnetically encoded cards; video recordings; digital video discs; cash registers, calculating machines; apparatus for input, output, transmission, storage and/or processing of data; computer software and programs; computer hardware; encoded cards and smart (programmable) cards; telecommunications apparatus; cash dispensing apparatus; burglar alarms; apparatus and programs for accessing the Internet and electronic mail services; magnetic data carriers, optical data carriers and magneto-optical carriers; cds, cd roms, discs and tapes; parts and fittings for all the aforesaid goods.</p>

	<p>Class 16 Printed matter; publications; books, booklets, magazines; manuals; cardboard and plastic cards; writing instruments; files and folders; document wallets; office requisites (except furniture)</p> <p>Class 35 Advertising services; display services for merchandising; compilation, production and dissemination of advertising matter; business planning, assistance and management services; business administration services; office functions; management assistance services; business investigations and surveys; business relocation services; book-keeping and accounting services; tax assessment preparation, preparation and completion of income tax returns; provision of information relating to tax; tax consultancy and planning services; business consultancy and advisory services; provision of information relating to accounts; provision of statements of account; registration, administration and secretarial services for companies; document reproduction services; data processing services; computerised record keeping, accounting and database management services; consultancy, information and advisory services relating to all the foregoing</p> <p>Class 36 Insurance and life assurance services; actuarial services; financial services; real estate services; valuations and financial appraisals of property; property acquisition for others and property management services; rental, letting, lease and sale of properties for others; leasing services; banking services; administration of financial affairs; trustee services; charitable fund raising services; mutual funds services; cash management services; factoring services; invoice discounting services; cash dispensing services; bail bonding services; lease purchase financing services; hire purchase financing services; financial card services; credit card, charge card, cash card, cheque guarantee card, purchase card, payment card and debit card services; registration services for credit</p>
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cards, charge cards, cash cards, cheque guarantee cards, debit cards, payment cards, financial cards and purchase cards; user incentive schemes relating to the use of credit cards, charge cards, cash cards, debit cards, payment cards, financial cards and purchase cards; rental, hire and lease of equipment for processing financial cards and data relating thereto; foreign exchange services; merchant banking and investment banking services; investment and savings services; financial and investment management services; stock broking services; unit trust services; tax services; financial planning and investment advisory services; financial research services; pension fund services; provision of financial information; administration and valuation of investments; collateral agency services; safe custody services; consultancy, information and advisory services relating to all the foregoing.

#### Class 38

Telecommunication services; Internet communication services; providing telecommunications connections and access to the Internet; electronic mail services; receipt and/or delivery of messages, documents and other data by electronic transmission; receipt and/or delivery of messages, documents and other data via the Internet; provision of electronic communications links; providing access to computer servers, databases and networks; providing access to the Internet; information services relating to all the foregoing.

#### Class 42

Provision, letting and rental of temporary accommodation; legal services; security services; computer software and programming services; computer services; leasing of access time to databases; lease, hire and rental of computer equipment, hardware, software and programs; providing access to the Internet; design of web sites; printing services; architectural services; building inspection services; inspection of plant and machinery; building and interior design services; surveying; encryption services; identification, authorisation, authentication and verification

	<p>services; electronic "signature" verification and authorisation services; digital "signature" verification and authorisation services; consultancy, information and advisory services relating to all the foregoing; consultancy and advisory services relating to telecommunications services, Internet services, Internet communication services, providing telecommunications connections and access to the Internet, electronic mail services, receipt and/or delivery of messages, documents and other data by electronic transmission, receipt and/or delivery of messages, documents and other data via the Internet, provision of electronic communication links, providing access to computer servers, databases and networks and providing access to the Internet.</p>
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3. An objection under section 56 was also made but was withdrawn upon challenge by the Trade Marks Registry.

4. Mr Snelgrove filed a counter-statement however Barclays subsequently sought leave to amend its notice of opposition. It sought to include a ground under section 3(6) of the Act claiming that there are serious doubts the applicant had any bona fide intention to use the mark. It also sought to add an objection under section 5(3) based on its UK trade mark No. 1286580. Leave to amend was granted.

5. As a result of the amendment to the grounds of opposition, Mr Snelgrove was invited to file an amended counter-statement and did so. In it he admits that the goods and services of the application are "in many respects the same or similar to those covered by one or more of the prior registrations" but denies the claims made under sections 3(6), 5(2)(b), 5(3) and 5(4)(a) of the Act. He puts Barclays to proof of use of its mark No. 1286580, requires the opponent to substantiate its claim to reputation under 5(3) and to prove the basis for its objection under 5(4).

6. Both parties filed evidence. The matter came to be heard before me on 4 March 2009. Mr Snelgrove, although represented by Sanderson & Co during these proceedings, represented himself at the hearing. Mr Malynicz of Counsel, instructed by Clifford Chance LLP, represented Barclays.

**Evidence**

7. The following evidence was filed:

Opponent:

Witness statement

Claire Elizabeth Poll (with exhibits CEP1-6)

Ms Poll is Senior Intellectual Property Counsel for Barclays.

Expert Report  
Professor John Harris

Professor Harris is Professor of Linguistics at University College London. He has taught and researched there for 21 years.

Applicant:

Witness statement  
Stanley Edward Snelgrove

Ms Poll also filed a witness statement in reply to Mr Snelgrove's evidence along with two further exhibits (CEP8-9).

8. I do not intend to summarise this evidence but will refer to it and the submissions made therein, as appropriate, in the body of my decision.

**Barclays' history and trading information**

9. The following facts are not in dispute. Barclays' business was established over 300 years ago with the name Barclays first being used in the 19<sup>th</sup> century. From 1896 it became a limited liability company called Barclay & Company. It is one of the UK's main high street banks with global headquarters in Canary Wharf, London. In 2005 it had over 1600 branches in the UK with 11.1 million current accounts and 183,000 business banking accounts. More than £65 billion was advanced in loans and advances to UK business customers in that year. All UK banking operations and services are branded BARCLAYS.

10. Pre-tax operating income and profits derived from Barclays' UK banking division are as follows:

	2002	2003	2004	2005
Operating Income	£5.2 Billion	£5.5 Billion	£5.5 Billion	£5.8 Billion
Profit before tax	£1.9 Billion	£2.1 Billion	£2.1 Billion	£2.2 Billion

11. In addition to its UK banking division, the company has a number of other divisions all of which operate under the BARCLAYS brand. These include:

- Barclaycard-a credit card division
- Barclays Capital-investment bank division
- Barclays Wealth-serving affluent high net worth individuals and corporate clients
- Barclays Global Investors-asset managers and investment management services
- Global Retail and Commercial Banking-retail and commercial banking outside UK

12. In 2005 Barclays had more than 113,000 permanent employees worldwide, over 25 million customers and managed more the US\$1 trillion, operating in more than 60 countries. Global operating income and pre-tax profits are as follows:

	2002	2003	2004	2005
Operating Income	£11.4 Billion	£12.4 Billion	£13.9 Billion	£17.9 Billion
Profits before tax	£3.2 Billion	£3.8 Billion	£4.6 Billion	£5.2 Billion

13. BARCLAYCARD was launched by Barclays in June 1966 and was the first all-purpose credit card to be operated by a British bank. Initially only available in England, Wales and Scotland, by 1968 its use had expanded and it was soon used in almost every continent. Barclaycard is now present in more than 60 countries and has over 192,000 customer outlets in the UK.

14. In 1972 the first BARCLAYCARD television advertising campaign commenced and by Spring 1973 it had recruited its 2 millionth card holder. Also in 1972 it introduced fixed instalment loans. In 1974, it became a dual purpose card acting as a cheque guarantee card as well as credit card. In 1977 BARCLAYCARD was one of the founding members of the international Visa system. In 1978 it introduced free travel accident insurance for its card holders and families. In 1995 it became the first financial institution to open a website and the first to allow cardholders to pay their credit cards bills via the Internet. In 1998 it launched a 24 hour travel shop allowing the booking, paying and organising of holidays by telephone.

15. BARCLAYCARD operating income and pre-tax profits in the UK are as follows:

	2001	2002	2003	2004	2005
Total Operating Income	£800 Million	£960 Million	£1.2 Billion	£1.28 Billion	£1.2 Billion
Profits before tax	£403 Million	£489 Million	£609 Million	£690 Million	£511 Million
No of customers	8.2 Million	9.7 Million	10.6 Million	11.2 Million	11.2 Million

16. BARCLAYCARD was the first credit card to advertise on television with the first advertisement airing in 1972. It has sponsored television programmes (1991-“Wish you were here”) as well as Premier League football (in a three year deal from 2001 worth £48m) and the league was renamed the Barclaycard Premiership. UK advertising spend, in £ sterling, is as follows:

	2000	2001	2002	2003	2004	2005	2006
Press	800,390	47,139	1,409,194	1,548,062	886,263	383,965	3,613,807
Cinema	623,882	-	-	-	-	-	425,028
Radio	-	-	258,626	-	436	1,468	385
Outdoor	5,646	581,222	1,460,384	9,334	13,768	3,595,446	-
TV	10,771,876	9,737,283	4,471,961	-	5,560,530	3,199,400	10,215,885

Total	12,201,794	10,365,644	7,600,165	1,557,396	6,460,997	7,180,279	14,255,105
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17. As I indicated earlier, the opposition is based on grounds under sections 3(6), 5(2)(b), 5(3) and 5(4)(a) of the Act. I will deal with each in turn.

### **The objection under Section 3(6) of the Act**

18. Section 3(6) of the Act reads:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

19. In its Notice of Opposition Barclays claims that “there are serious doubts whether the Applicant had a *bona fide* intention to use the mark in relation to any and/or all the goods and services for which the application is made as at the date of the application”. The Notice continues: “including, but without limitation, for the reasons set out in paragraphs 61-77 of the Witness Statement of Claire Elizabeth Poll dated 24 September 2007.”

20. In *Club Europe* [2000] R.P.C. 329, the Vice-Chancellor stated:

“It is the function of pleadings to define the issues between the parties. Notices of opposition and counterstatements play the part of pleadings in contested trademark registration applications. To some extent supporting statutory declarations may be regarded as complementing that pleading function.”

21. Neither Mr Snelgrove nor his representatives challenged the basis for the claim, however, despite Barclays’ statement in its Notice of Opposition that the reasons for its claim “include but are not limited to” the reasons set out in the Ms Poll’s witness statement, at the hearing, Mr Malynicz accepted that I should consider the matter solely on the reasons set out in the Notice of opposition and as supported by the specific reasons given in the relevant paragraphs of Ms Poll’s witness statement. In summary, these are:

- Mr Snelgrove is an individual involved with two companies: Convolvulus Ltd, trading as the Shed Centre who sell mainly sheds, lawn and garden equipment and Asperula Ltd a direct selling establishment, both companies having estimated sales in 2006 of less than £100,000;
- Before being able to provide some if not all of the services applied for in class 36, Mr Snelgrove would have to be authorised to do so by the Financial Services Authority and The Office of Fair Trading, would have to obtain a banking licence and would be subject to various mandatory financial regimes and voluntary banking codes;

- Mr Snelgrove would have to join a merchandise network such as Visa or Mastercard to be able to provide credit card services and such networks only accept banks as members;
- Mr Snelgrove is unlikely to have the expertise, qualifications or resources necessary to provide all or any of the very different services included with the class 36 specification of the application. In any event it would be impossible for an individual, even an individual of substantial resource, to obtain regulatory approval for all of the services the subject of the application in class 36.

22. Ms Poll also indicates her belief that Mr Snelgrove does not operate in the financial sector but is instead stockpiling trade marks because he has applied for the registration of two other trade marks for the words TARTAN and CHECK. I will return to this later in this decision.

23. As indicated above, Barclays' claim under this section is that it has serious doubts that Mr Snelgrove had a *bona fide* intention to use the trade mark at the date the application for registration was made. Mr Malynicz referred me to section 32(3) of the Act which states:

“32(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a bona fide intention that it should be so used.”

24. In *Demon Ale* [2000] R.P.C. 345 Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

“In the present case the objection under section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However, he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under section 3(6).”

25. Section 3(6) is based upon Article 3(2)(d) of European Directive 104/89. But section 32(3) does not come from that same directive: it is instead a UK requirement. Despite this, Mr Hobbs did not see any reason to doubt that section 32(3) was compatible with the Directive. In *Reckitt Benckiser (UK) Ltd v Robert McBride Ltd*, BL O/355/04, Mr Arnold QC (as he then was) also sitting as an Appointed Person, similarly found no incompatibility between them.

26. In *Knoll AG's Trade Mark* [2003] RPC 10, however, Mr Justice Neuberger (as he then was) raised the question of whether there was tension between the provision of the Directive and section 32(3) of the Act. He was concerned that section 32(3) should not be taken to introduce a further substantive ground for refusal of an application if there was no basis for the refusal in the Directive. Thus, when considering the interaction between section 3(6) and section 32(3) it is necessary to

consider whether the applicant made the statement required by this latter section in bad faith rather than focusing on whether the statement was factually accurate.

27. In his evidence, Mr Snelgrove describes himself as a businessman, designer and entrepreneur. He states that he holds senior positions in five limited companies located in the UK and abroad, including Convolvulus. In March 2005 he became a founder member of the board of an Estonian company named Lend Invest OU, a company he says was formed specifically to make loans to individuals and business clients. He gives no details of the other companies with which he is involved except to say that between them, their business activities include the retailing of portable buildings, the importation of timber and bituminous products, the exportation of mechanical plant and machinery, mechanical plant hire, the manufacture of timber products for export, stock market investments, property speculation and making loans to private and business clients.

28. In her evidence, Ms Poll states that based on company searches, Mr Snelgrove is or has been involved with three companies in the UK: Convolvulus Ltd (trading as the Shed Centre and a retailer of sheds, lawn and garden supplies), Asperula Ltd, a direct selling establishment and Grove Fencing Merchants Ltd. She states that based on information provided by Dunn & Bradstreet, both Convolvulus Ltd and Asperula Ltd had estimated sales in 2006 of less than £100,000. She later explains that the abbreviated financial statement for Convolvulus Ltd show it to have had profits for the years 1 August to 31 July of £56,470 (2004/5), £41,358 (2005/6) and £35,687 (2006/7). Similarly, Asperula Ltd had profits of £6,034 (9 February 2005 to 28 February 2006) and £99,262 (1 March 2006 to 28 February 2007). Grove Fencing Merchants Ltd was dissolved in October 2000. As regards the Estonian company Lend Invest OU, she states that a search of the Estonian register of companies reveals its share capital to be around £2000 (at September 2008 exchange rates), that it has not filed any annual reports for 2006 and 2007 and is subject to a warning notice from the Estonian Courts threatening deletion from the register due to its not filing the 2006 report, if creditors do not request liquidation of the company. She also claims that the company is in arrears with its payment of tax.

29. Mr Snelgrove disputes the sales figures estimated by Barclays for Convolvulus Ltd and Asperula Ltd (and indeed disputes that Convolvulus Ltd trades as the Shed Centre and, though he does not dispute it retails in sheds, does dispute it retails in lawn and garden supplies) and says both claims are “wildly wrong”. He does not provide any alternative information as he “[sees] no need to divulge details of their accounts”. He has not challenged Ms Poll’s evidence as to Lend Invest OU or Grove Fencing Merchants Ltd.

30. In *Extreme Trade Mark* (BL O/161/07) Mr Richard Arnold Q.C. sitting as the Appointed Person, considered whether the strict rules of evidence apply to the registrar’s tribunal. The relevant part of his decision is as follows:

“Unchallenged evidence

33. Phipson on Evidence (16<sup>th</sup> Ed) states at paragraph 12-12:

“In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position. This rule (sic) serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...”

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phillips* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness’s evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness’s evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness’s evidence.”

31. Whilst Ms Poll has neither exhibited copies of the information as provided by Dunn & Bradstreet, nor the abbreviated accounts of the two named (active) companies nor the company register information either from the Estonian registry or in relation to the dissolved UK company, Mr Snelgrove has not challenged any of it by way of cross-examination, nor has he adduced evidence to contradict it. In the circumstances, I have no reason to disbelieve Ms Poll’s evidence in relation to these companies and Mr Snelgrove’s involvement with them.

32. Whilst all of this provides some background to his previous business experience, the financial position of these companies is not entirely relevant as Mr Snelgrove has made this application in his own name. Mr Snelgrove accepts Ms Poll’s claim that “it

is impossible for an individual, even an individual of substantial resource, to obtain regulatory approval for all of the services...applied for in class 36". At the hearing he confirmed his evidence that although he applied for registration of his mark as an individual he has the "skills to bring it to the market" and would be doing so in association with other, suitably qualified, parties. He further submitted that because of his business links, he could start up very quickly. As to the breadth of the specification, he submitted that not all of the goods and services for which he sought registration were subject to statutory regulation. In any event, his business model allowed for a limited start before expanding into all areas for which he seeks registration.

33. Mr Snelgrove confirms he has "a genuine determination to bring SPARKLYCARD to the market" and further confirms that he seeks not to "sell the brand [but] only to attract suitable business partners of which Barclays is not one". He states that he has developed a business model designed to be "a refreshing alternative to the more mundane credit cards and associated services which are currently available". He confirms he has "contacts within the international banking community [and has] attended meetings in Nicosia, Moscow and Yekaterinburg with suitably funded and qualified parties who have expressed interest in the future development of SPARKLYCARD business". Mr Snelgrove states he is not prepared to divulge the details of his meetings nor to disclose his business model, other than to say it "relies on a card and brand that are visually striking coupled to a new dimension of services to consumers" and that it is his "ambition to ensure that [his] business model and striking SPARKLYCARD brand succeed in revolutionising credit card use in favour of consumers".

34. Mr Snelgrove denies he is stockpiling trade marks. Whilst Barclays provided no other details of the applications for registration of the trade marks TARTAN and CHECK, a review of the register shows registrations under these marks in Mr Snelgrove's name in relation to goods and/or services covered by the application in suit. Mr Snelgrove confirms that he has also applied for and been granted a registration for the mark SPARKLY in respect of the same specification of goods and services as the mark in suit.

35. Mr Malynicz referred me to *Ferrero SpA's Trade Marks* [2004] RPC 29. Here, David Kitchen Q.C. sitting as the Appointed Person considered the position regarding an application for a declaration of invalidation of a trade mark. The issue before him was whether the applicant had a bona fide intention to use the mark based on the fact that it had made more than sixty applications which included the word KINDER over a period of some three and a half years (September 1990 to April 1994). Most of these marks had not been used some nine to thirteen years later. He upheld the decision of the Hearing Officer to declare the mark made in bad faith.

36. I have no evidence of whether or not the prior registrations in Mr Snelgrove's name have been used however it seems to me that the facts in the present case are distinguishable from those in *Ferrero*. Given that just three marks are involved, that the marks referred to by Barclays post-date the application in suit and the registration of SPARKLY was applied for on the same day as the application in suit and each is therefore a relatively recent registration, I consider these cannot be taken as evidence of stockpiling of marks or that this application was speculative and

made in bad faith. As Mr Snelgrove states, it is not unusual for banks and other companies to file for registration of marks in the planning stage and before they are used.

37. It is not disputed that Mr Snelgrove has some experience of being involved in the running of businesses. There is some, rather more limited, evidence of him having an involvement in a business in the financial field, albeit one based outside the UK and over which some doubt hangs as to its future. There is no disagreement that it would be impossible for him, as an individual, to provide all the goods and services for which he now seeks registration.

38. The specification of goods and services for which registration is sought is a broad one. Considerable skills are likely to be needed in terms of bringing most, if not all of these goods and services to market. It seems to me that although Mr Snelgrove's experience of the wider world of the financial business market is, on the basis of the evidence before me, perhaps somewhat limited, this does not mean of itself that the application was made in bad faith. Whatever his business model provides, and I have no specific evidence of this, it is evident he faces having to clear significant regulatory and financial hurdles in order to be able to provide at least some of the services for which he seeks registration, though that is not to say the areas of trade for which he seeks registration are so far-fetched as to be impossible for him to enter. And the fact that one company with which Mr Snelgrove has links may not be in the strongest position financially does not preclude him from dealing with others who are suitably funded and qualified, as he submits is his intention.

39. Mr Snelgrove's evidence that his business model relies on a card which he "hopes will revolutionise credit card use" is, on the face of it, somewhat at odds with his submissions at the hearing that he was not "going to go into credit cards straight away". He has made it clear, however, that his business model provides for a gradual expansion which will be carried out in stages, a not unusual position to take in setting up new businesses.

40. That Mr Snelgrove has not yet made any attempts to apply for the necessary statutory licences, is not disputed. Statutory licensing is a feature of many areas of business. In *YTV & Device BL (O-042-99)* the Hearing Officer considered the effect of an applicant not having applied for a required broadcasting licence and stated:

"it seems to me that the application for the YTV mark could be one in a sequence of commercial steps of which such a license application is another."

I do not consider the fact that Mr Snelgrove has not yet applied for the required licensing provides any support for a finding that his application for registration of his trade mark was made in bad faith.

41. Again in *Demon Ale* Mr Hobbs Q.C. considered the question of bad faith and stated:

"I do not think that section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality."

42. Whilst Mr Hobbs' comment referred to "commercial morality", in my opinion the same is true in respect of the commercial viability of an applicant's proposed business. Whilst, on the basis of the material before me, Mr Snelgrove's evidence could be regarded as being somewhat lacking in detail regarding his business plans, the question to be answered is not whether his proposed business is viable but whether his application was made in good faith in the sense that he had a genuine intention to use the mark.

43. Taking all matters into consideration, I am unable to find that the application was not made in good faith. The objection under section 3(6) fails.

### **The objection under section 5(2) (b)**

44. Section 5(2) (b) of the Act reads:

(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.

45. In determining the question under Section 5(2) (b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *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*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question: *Sabel BV v Puma AG*, paragraph 23, 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* 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*, paragraph 23;

(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*, paragraph 23;

- (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 v Metro-Goldwyn-Mayer Inc*, 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*, 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*, paragraph 26;
- (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*, 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-Mayer Inc*, paragraph 29.

46. The Notice of opposition (as amended) indicates that four earlier trade mark registrations are relied upon under this ground. Mr Malynicz agreed at the hearing that his best case rests with its UK registration No. 1286580 and that if he did not succeed in respect of this earlier registration, he would be in no better position in relation to the other three marks relied on. I proceed on that basis.

### **Similarity of goods and services**

47. The earlier mark is registered in respect of credit, credit card and charge card services in class 36. These services are specifically included in the application and to this extent identical services are involved. These services are also either identical or at least highly similar to the following services included in the application: *financial affairs; monetary affairs; banking services; cash dispensing services; loan services; bank card, cheque guarantee, payment card and debit card services; registration services for credit cards, charge cards, cash cards, cheque guarantee cards, debit cards, payment cards, financial cards and purchase cards; card and cash replacement services; incentive schemes relating to the use of credit cards, charge cards, cash cards, debit cards, payment cards, financial cards and purchase cards; processing of financial information relating to card transactions and other payment transactions; and consultancy, information and advisory services relating to all the foregoing*. The services of the earlier registration are highly similar to the following goods included in the application: *Apparatus for processing card transactions and data relating thereto and for payment processing; apparatus for verifying data on*

*magnetically encoded cards; magnetic cards; magnetically encoded and smart (programmable) cards. The services of the earlier registration are not similar to the following goods and services within the application: Cartridges, discs, tapes, cards and other recording materials, all for collecting, processing and/or storing data and for bearing computer programs and data; magnetic data carriers, recording discs; computer software and programs; computer hardware; computer memories; computing apparatus and print-out apparatus; printers and Insurance services; insurance broking services; trustee services; factoring services; invoice discounting services; mortgage services; consultancy, information and advisory services relating to all the foregoing.*

### **The relevant public and the purchasing act**

48. Credit, credit card and charge card services are services likely to be bought by both the general adult public and by businesses. Whilst the initial contact may be made in a variety of ways such as by direct contact by the provider (whether by telephone, mail shot or, as indicated by Mr Malynicz, an approach in the street) or by the prospective purchaser making contact (again, by telephone, via the Internet or through a visit to the provider’s office), they are specialist services and a great deal of attention is likely to be paid during the actual purchasing process. This is because of the need to ensure the product meets the needs of the purchaser (and, where appropriate, his business), the financial commitment likely to be involved and the need to go through some sort of application and vetting procedure (highly likely to include form-filling) to enable the provider to establish e.g. the purchaser’s creditworthiness etc. and to comply with any statutory or other regulatory requirements and which may lead to the application being rejected. Similar considerations apply to those services which I have found to be highly similar. In respect of the goods which I have found to be highly similar, these are not likely to be bought by the general public but by businesses who, given the nature of those goods, are again likely to take a great deal of care to ensure the goods meet their specific needs.

### **Similarity of trade marks**

49. When assessing the similarity of the marks, I must do so with reference to the visual, aural and conceptual similarities between them, bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*, para 23). Mr Malynicz submitted that, whilst all three elements had to be considered, particular emphasis had been placed by Barclays on the aural consideration. Whilst I accept that in some cases the initial contact with potential providers of these services may put emphasis on the aural/oral factors, I consider the visual factors are likely to be of greater importance given the nature of the method of accessing such services. In any event, I have to make a global assessment taking all relevant factors into account.

50. For ease of reference, I set out the respective marks:

Mr Snelgrove’s mark	Barclays’ mark
SPARKLYCARD	BARCLAYCARD

Whilst each of the respective marks is presented as a single word, and recognising that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details, each naturally breaks down into two parts. Both contain the word CARD which is not distinctive in relation to many of the particular goods and services involved and is likely to lead to greater emphasis being placed on the earlier part of each mark.

51. Visually, both are of equal length. Whilst they have eight of their eleven letters in common and in the same order, they have different initial letters. Both end with the four letters making the word CARD. The respective marks have some degree of visual similarity but there are also clear visual differences.

52. As to the aural considerations, Mr Malynicz specifically referred me to two findings set out in Professor Harris's expert report. Firstly, he pointed out that Professor Harris found the respective marks to be "rhythmically identical" and secondly, that they differ only in respect of the initial "s" sound.

53. Mr Snelgrove criticised Professor Harris's report as being unnecessary but went on to say that it was, in any event, incomplete. He denied the respective marks are rhythmically identical and insisted there were three ways of pronouncing SPARKLYCARD and two of BARCLAYCARD, and that not all of the possible combinations had been compared by Professor Harris.

54. In *The European Limited v The Economist Newspaper Limited* [1998] FSR 283, Millet LJ stated:

"The function of an expert witness is to instruct the judge on those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge may otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinions whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity."

55. Professor Harris' report is entitled "A comparison of the spoken forms of *Barclaycard* and *Sparklycard*". I have no doubt Professor Harris is an expert in his field, however, I have to consider the matter not from the point of view of the expert but rather from the point of view of the average consumer and, as Mr Malynicz accepted, the question of similarity or otherwise of the respective marks is, ultimately, a matter for the tribunal to determine based on all relevant factors.

56. In my opinion, each mark would be pronounced as three syllables (SPARK-LY-CARD and BARC-LAY-CARD). Whilst the initial letters of the respective marks (SP and B) have very clear visual differences, in aural/oral use the differences may be less apparent. Similarly, any difference between LY and LAY are likely to be lost in use, if, indeed, this particular letter A in Barclays' mark is pronounced at all given the sometimes poor enunciation of words prevalent in everyday language. There is clear assonance in the first two syllables of each of the respective marks. The third

syllable CARD is identical in each. When considered as wholes, the respective marks have a high degree of aural/oral similarity.

57. Mr Snelgrove's mark is made up of the two well known words SPARKLY and CARD. The conceptual message given out by it is that of a card which sparkles. The earlier mark is made up of the two words BARCLAY and CARD. BARCLAY is a surname, though perhaps a relatively uncommon one, the mark as a whole bringing to mind a card from a person or company called Barclay. Conceptual similarity exists only insofar as both bring to mind some sort of card.

### **Distinctiveness of the earlier trade mark**

58. A further factor to be taken into consideration is that of the distinctiveness of the earlier trade mark based either on its inherent qualities or on any enhanced distinctiveness because of the use made of it. The more distinctive the earlier mark, the greater the likelihood of confusion (*Sabel BV v Puma AG*, paragraph 24). In *Steelco Trade Mark* (BL O/268/04 Mr Kitchen, again sitting as the Appointed Person, concluded, at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those trade marks which have become household names. Accordingly, I believe the observations of Mr Thorley Q.C. in *Duonebs* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

59. The use filed by Barclays is extensive. The Barclays' business was established over 300 years ago. It became a limited company well over 100 years ago, it is a major high street bank with, in 2005, over 1600 branches throughout the UK serving over 11 million current account holders and 183,000 business banking accounts. It is a global business operating in more than 60 countries. The UK business under BARCLAYS produced operating incomes of more than £5 billion annually for each of the years 2002 to 2005 creating around £2 billion pre-tax profits each year. The company was the first to operate an all-purpose credit card and introduced it under the mark BARCLAYCARD in 1966. In 1974 it became a dual purpose card acting as

both a credit and cheque guarantee card. The number of UK customers steadily grew from some 8.2 million in 2001 to 11.2 million in 2005, generating an increasing operating income of between £800 million and £1.2 billion with pre-tax profits ranging from £403 million to £511 million. The BARCLAYCARD websites attract between 800,000 and 1 million visitors per month, some 97 per cent of these from the UK. Its advertising spend, including highly visible sponsorship deals and television and cinema advertising, as set out in paragraph 16 above and for which numerous exhibits are provided, is equally impressive. Mr Snelgrove, put Barclays to proof of use and reputation and, whilst not admitting the figures, does not dispute them. I have no hesitation in finding that the distinctiveness of the earlier mark has been enhanced on the basis of this evidence. The earlier mark has a very high degree of distinctive character in relation to the services for which it is registered: credit, credit card and charge card services.

### **Likelihood of confusion**

60. I need to consider both direct and indirect confusion. In relation to direct confusion, where the average consumer, who rarely has the chance to make direct comparisons between marks but must instead rely upon the imperfect picture of them he has kept in his mind, mistakes one mark for another, the clear visual and conceptual differences between the marks mitigates strongly against any such likelihood. This is the case even taking into account that identical services are involved and the high degree of distinctiveness in the earlier mark. The likelihood is even less in respect of the other goods and services. In summary, I find there is no likelihood of direct confusion.

61. In relation to indirect confusion, where the similarities between the marks lead the consumer to believe the goods or services sold under them are from the same or an economically linked undertaking, further consideration is necessary. I have already found that some services are identical and other services and goods highly similar and that the earlier mark has a very high degree of distinctive character. The respective marks have clear visual and conceptual differences but equally clear aural/oral similarities.

62. In MIP Metro Group Intellectual Property GmbH & Co KG v OHIM T-290/07 the CFI stated:

“ For the purpose of the global assessment of the likelihood of confusion, the overall impression created by the two signs at issue must be considered (Case C-206/04 P Mulhens V OHIM [2006] ECR I-2717, paragraph 23, and Case C -234/06P II Ponte Finanziaria v OHIM [2007] ECR I-7333, paragraph 37) and the signs’ aural, visual and conceptual similarities must be weighed up, taking into account factors such as, in particular, the nature of the goods or services, the way they are marketed and the public’s level of attention. In that regard, it should be pointed out that, although there will not necessarily always be a likelihood of confusion where two signs are found to be only aurally similar, it is nevertheless conceivable that the marks’ aural similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94. However, the conceptual, visual and aural similarities between the signs at issue and the assessment of any aural

similarity is only one of the relevant factors for the purpose of that global assessment (Mulhens v OHIM paragraphs 21 and 23; see also, to that effect, Il Ponte as before paragraphs 35 and 37; and Joined cases T-117/03 to T-119/03 and T-171/03 New Look v OHIM –Naulover (NLSPORT, NLJEANS, NLACTIVE and NLCollection) [2004] ECR II-3471, paragraph 49.”

63. As I indicated above, a person may have had initial contact with the provider of the relevant goods and services in a variety of ways but the visual aspect is the primary factor given the nature of the purchasing process.

64. In Ms Poll’s witness statement, the claim is made that SPARKLYCARD is already used to indicate BARCLAYCARD. At CEP 4 she exhibits a print taken on 21 September 2007 (and therefore from after the relevant date in these proceedings) from what seems to me to be a blog page wherein “decaff” writes, in response to an offer made to him/her : “P.S. I can pay you by Sparklycard.....”. At CEP5 Ms Poll exhibits an extract from a different website forum wherein on 29 April 2001 “Kkaos” writes a review of his/her experiences of using a Barclaycard. Whilst the extract bears the heading “Sparklycard” the rather lengthy text does not though there are many references to BARCLAYCARD. I have no idea where these websites or their contributors are based but it seems to me that such isolated use on blogs carries little, if any, weight.

65. Ms Poll refers to two instances to illustrate how consumers will link the respective marks. In the first, she refers to a graduate training course where an unidentified attendee is said to have come up with the idea of a BARCLAYCARD, for young people, to be called SPARKLYCARD. The second instance involved a suggestion from Barclays’ advertising agency that SPARKLYCARD would be “a great name for a Christmas campaign”. I am not provided with any further details of when these suggestions were made or who made them or, indeed, of how Ms Poll got to know of them, but there is no evidence that they were ever taken seriously or used. As to use, Ms Poll states that Barclays is “very active in using new brand names for its new financial products”. She refers me to BARCLAYCARD ONEPULSE and BARCLAYCARD BREATHE. This may be the case, however whilst there is evidence that words (and/or devices) may have been added to the BARCLAYCARD mark at various times, there is no evidence that the word itself has changed.

66. It is possible there will be some consumers who, on seeing Mr Snelgrove’s mark, will think of the earlier mark but for most the later mark will simply bring to mind a card which sparkles. In any event mere association is not enough and the position is not altered by the use made of the earlier mark. The fact that the earlier mark may be brought to mind is not enough for the consumer to go on to be confused about the economic origin of the services. The goods and especially the services are likely to be a considered purchase involving a fair degree of attention and written documentation. There is nothing in Barclays’ evidence to show they have a history of using signs other than those which incorporate the core BARLCLAYCARD mark. Taking all relevant factors into account, I find the respective marks are not likely to be indirectly confused.

67. The opposition under section 5(2)(b) fails.

### **The objection under section 5(4)(a)**

68. At the hearing Mr Malynicz agreed that if Barclays failed in respect of the objection under section 5(2)(b), it would be in no better position under this ground. As I have found in Mr Snelgrove's favour under section 5(2)(b), I do not intend to consider this ground further.

### **The objection under Section 5(3)**

69. Section 5(3) of the Act reads:

(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.

70. The test for the actual reputation that is required is long established and was set out in *General Motors Corp v Yplon SA* [2000] RPC 572. The Court concluded that the required reputation implies a certain degree of knowledge amongst the general public which degree would have been reached when the earlier mark is known by a significant part of the public concerned with the goods or services covered by that mark. This requires consideration of all relevant factors including the duration, intensity and geographical extent of use, market share and level of advertising.

71. In my consideration of the grounds of objection based on section 5(2) (b), I reviewed the evidence of use made of the earlier mark. For the purposes of my consideration under section 5(3), the duration, intensity and geographical extent of that use, coupled with the level and types of advertising undertaken, mean I have no hesitation in finding that BARCLAYCARD has an established reputation in respect of credit, credit card and charge card services amongst the relevant public. Whilst I have no details of market share, I agree with Mr Malynicz that the earlier mark is a household name for these services.

72. Referring to the Notice of Opposition, Mr Malynicz submitted that whilst it indicates that three earlier trade marks are relied upon, and as with the objection under section 5(2)(b), he was relying on 1286580 only as he would be in no better position as regards the other two. Again, I proceed on that basis. He further submitted that Barclays' case was based on the claim that Mr Snelgrove's mark would take unfair advantage of the earlier mark by free-riding on its established goodwill and reputation.

73. In its judgment in *Sigla SA v Office for Harmonisation in the Internal Market* Case T-215/03, the CFI said the following, in relation to unfair advantage being taken of the distinctive character or repute of an earlier trade mark:

“40. Lastly, the concept of the unfair advantage taken of the distinctive character or the repute of the earlier mark by the use without due cause of the mark applied for encompasses instances where there is clear exploitation and “free-riding on the coat-tails” of a famous mark or an attempt to trade upon its reputation (*SPA-FINDERS* at 51). In other words, this concerns the risk that the image of the mark with a reputation or the characteristics which it projects are transferred to the goods covered by the mark applied for, with the result that the marketing of those goods is made easier by that association with the earlier mark with a reputation.

41. That last type of risk must be distinguished from the likelihood of confusion covered by Art. 8(1)(b) of Regulation No 40/94. According to settled case law, a likelihood of confusion is defined as the likelihood that the public might believe that the goods or services covered by the mark applied for come from the same undertaking or, as the case may be, from economically-linked undertakings (Case T-104/01 *Oberhauser v OHIM –Petit Liberto (Fifties)* [2002] ECR II-4359 at 25; see also, by analogy, Case C-39/97 *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc* [1998] ECR I-5507 at 29, and Case C-342/97 *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* [1999] ECR I-3819 at 17). By contrast, in cases covered by Article 8(5) of Regulation No 40/94, the relevant section of the public makes a connection, that is to say, establishes a link, between the marks at issue without, however, confusing them (see, by analogy, *Adidas-Salomon* at 29.) Therefore, the existence of a likelihood of confusion is not a condition for the application of that provision (see, by Analogy, Case C-251/95 *Sabel BV v Puma AG* [1997] ECR I-6191 at 20.)

42. On the basis of the foregoing, the difference between the risk of unfair advantage being taken, within the meaning of Article 8(5) of Regulation No 40/94, and the likelihood of confusion may be summarised as follows: there is a likelihood of confusion where the relevant consumer may be attracted by the product or service covered by the mark applied for by considering it to be a product or service with the same commercial origin as that covered by an earlier mark which is identical or similar to the mark applied for. By contrast, the risk that the use without due cause of the mark applied for would take unfair advantage of the distinctive character or the repute of the earlier trade mark continues to exist where the consumer, without necessarily confusing the commercial origin of the product or service in question, is attracted by the mark applied for itself and will buy the product or service covered by it on the ground that it bears that mark, which is identical or similar to an earlier mark with a reputation.”

74. Even if the respective marks were similar, that does necessarily mean that Barclays would succeed under this ground. Both the ECJ and the CFI have reiterated the comment made in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 (albeit in relation to section 10(3)) that the purpose of the Regulation is not to prevent registration of any mark which is identical or similar to a mark with a reputation.

75. Mr Malynicz referred me to the Opinion of AG Sharpston in *Intel Corp Inc v CPM United Kingdom* [2009] ETMR 13 (at paragraphs 41 onwards) regarding the type of link that has to be established submitting that it is sufficient that one mark call to other to mind even if there is no confusion. In its subsequent decision the ECJ stated:

“41. The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, in respect of Article 5(2) of the Directive, *Adidas-Salomon and Adidas Benelux*, paragraph 30, and *adidas Benelux*, paragraph 42).

42. Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.”

76. In my consideration of the objection under section 5(2), I found that the earlier mark has a very high degree of distinctive character and that identical services are involved but, whilst there are aural/oral similarities between the respective marks, there are clear visual and conceptual differences. I found that there is no likelihood of confusion on the part of the public. But whilst I found that most will simply see the mark applied for as a reference to a card which sparkles, I acknowledged, in paragraph 66 above, that it is possible (I put it no higher than that) some people, on seeing Mr Snelgrove’s mark, would think of the earlier mark. If that is right, it is sufficient to establish a link between the respective marks and I go on to consider the consequence of that finding.

77. I am mindful of the comments of Patten J in *Intel Corporation Inc v CPM United Kingdom* [2006] EWCH 1878 where he stated:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two

marks and all that Neuberger J is, I think, saying in this passage [Premier Brands at p789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark.”

78. Although the issue of the effect on economic behaviour arose in the above case in the context of detriment or dilution, it is, I believe, reasonable to infer that similar considerations would arise in the context of the question of unfair advantage. Indeed in *Electrocoin Automatics Limited v Coinworld Limited and Others* [2005] FSR 7, Mr Geoffrey Hobbs Q.C, sitting as a Deputy Judge stated:

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

79. In *C A Sheimer (M) Sdn Bhd’s TM Application (VISA)* [2000] RPC 484 Geoffrey Hobbs Q.C. sitting as the Appointed Person considered whether Sheimer’s mark

“would, without due cause:

(iv) take unfair advantage of the distinctive character or repute of Visa International’s earlier trade mark”.

In setting out his finding, he stated:

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

80. I must be satisfied therefore that, for those people who make a link between the respective marks, the link they make affects their economic behaviour and, if so, that the reputation of the earlier mark is transposed to the later mark with the result that marketing and selling of Mr Snelgrove’s goods and services becomes easier.

81. Although I accept that some people, on seeing Mr Snelgrove’s mark, may create a link with the earlier mark, I believe that link is likely to be somewhat tenuous and more akin to seeing the mark as a form of word play. As I have indicated above, the nature of the services which I have found to be identical and highly similar is such

that the process involved in applying for them is likely to be relatively lengthy and complex and involve such financial commitment, that it is not something the average consumer will enter into lightly. BARCLAYCARD services are long established and high profile and there is no evidence before me that any marks have ever been used which do not contain the core mark. Taking all factors into account, I do not believe that for those who, on seeing Mr Snelgrove's mark, do make a link with the earlier mark, it will have any material effect on their economic behaviour. In respect of the remaining goods and services the link is likely to be even more tenuous. That being the case, the opposition brought under section 5(3) fails.

82. The opposition has failed on all grounds and Mr Snelgrove is entitled to an award of costs in his favour. At the hearing, both parties agreed that costs should be considered on the usual basis. Whilst Mr Snelgrove represented himself at the hearing he had, until that point in the proceedings, been professionally represented. That said, he confirmed that no extraordinary costs had been involved and that the proceedings had not been a tremendously expensive exercise for him.

83. I therefore award Mr Snelgrove costs on the following basis:

Considering Notice of Opposition	£200
Filing counterstatement	£300
Preparing and filing evidence	£200
Considering Barclays' evidence	£100
Preparation for and attendance at the Hearing	£100
Total	£900

84. I order Barclays Bank Plc to pay Mr Stanley Edward Snelgrove the sum of £900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 28<sup>th</sup> day of April 2009**

**Ann Corbett  
For the Registrar  
the Comptroller-General**