

O-136-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2210663
BY CITYBOND HOLDINGS PLC
TO REGISTER THE TRADE MARK:**

CITYBOND

IN CLASS 36

AND

**THE OPPOSITION THERETO
UNDER NO 51174
BY CITIBANK NA AND CITICORP**

Trade Marks Act 1994

**In the matter of application no 2210663
by Citybond Holdings Plc
to register the trade mark:
CITYBOND
in class 36
and the opposition thereto
under no 51174
by Citybank NA and Citicorp**

BACKGROUND

1) On 7 October 1999 Citybond Financial Planning plc applied to register the trade mark **CITYBOND** (the trade mark). The application was published for opposition purposes in the "Trade Marks Journal" on 12 April 2000 with the following specification:

Insurance services, travel insurance services, insurance brokerage, insurance consultancy, travel bonding; but not including sealed contract services provided by the City of London.

The above services are in class 36 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. On 8 April 2003 a request was received to change the name of the applicant to Citybond Holdings Plc, which I will refer to as Holdings.

2) On 12 July 2000 a notice of opposition was received from Citibank NA and Citicorp, which I will refer to jointly as Corp. Corp owns numerous United Kingdom and Community trade mark registrations and applications which commence with CITI. I will not list the earlier rights referred to here but will identify the most pertinent ones in the body of the decision. Corp claims that it operates approximately thirty subsidiary companies in the United Kingdom; the core activities of which are the provision of banking services, the arrangement and management of investments, including mutual funds, the provision of insurance services and other financial services and the sale of related goods. These subsidiaries have corporate names which either include the trade marks CITIBANK or CITICORP, or alternatively contain the prefix CITI. Corp claims that by the very substantial use made of these trade marks over the course of many years it has built up a very substantial goodwill in CITI prefixed trade marks, primarily in the financial and banking sectors. As a result the public has come to associate trade marks which have the CITI prefix with Corp not only in those sectors but for a broad range of goods and services.

3) Corp claims that the trade mark is devoid of distinctive character and that it consists exclusively of signs or indications that may serve in trade to designate the kind and intended purpose of the services of the application. The combination of the elements CITY, which indicates the City of London, and BOND which has a variety of connotations and meanings in relation to class 36 services, has a directly descriptive meaning which goes beyond that described in the exclusion clause in the

specification. Consequently, Corp claim that registration of the trade mark would be contrary to sections 3(1)(b) and (c) of the Trade Marks Act 1994 (the Act). (Originally there was also an objection under section 3(1)(d) of the Act but this was not pursued at the hearing.)

4) Corp claims that the trade mark is similar to some or all of the earlier trade marks upon which it relies and that registration is sought in respect of identical or similar services to those covered by its earlier trade marks. Consequently, there is a likelihood of confusion and registration of the trade mark would be contrary to section 5(2)(b) of the Act 1994.

5) Corp claims that the trade mark is similar to some or all of the earlier trade marks upon which it relies and that by virtue of its reputation in the earlier trade marks, use of the trade mark would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier trade marks, even if the services of the application are dissimilar to the services of the earlier trade marks. Consequently, registration of the trade mark would be contrary to section 5(3) of the Act.

6) Corp claims that by virtue of the very substantial reputation enjoyed by it in the United Kingdom, not only in relation to the trade marks CITIBANK and CITICORP but also in relation to the CITI prefix per se and marks consisting of or including the CITI prefix conjoined with additional matter, registration of the trade mark would be contrary to section 5(4)(a) of the Act.

7) Corp seeks refusal of the application and an award of costs.

8) Holdings filed a counterstatement in which it denies the grounds of opposition. It states that if its trade mark were contrary to sections 3(1)(b) and (c) of the Act, it has traded under names containing CITYBOND since 1985 and such use would be sufficient to overcome Corp's assertion of descriptiveness. Holdings states that it has been present in the financial sector for over fifteen years and its name and trade marks have previously co-existed peacefully with the trade marks of Corp. Holdings denies that its fifteen year use of the trade mark is without due cause. It applies a similar argument to the ground of opposition under section 5(4)(a) of the Act.

9) Holdings seeks the registration of the application and an award of costs.

10) Both sides filed evidence.

11) A hearing was held on 21 March 2005. Corp was represented by Mr Mellor of counsel, instructed by fJ Cleveland. Holdings was represented by Mr Silcock of counsel, instructed by Marks & Clerk.

EVIDENCE

12) Evidence from both sides has included material and data from after the material date, some of it well after the material date. I have generally not referred to it; where it has been referred to, it is mainly as the result of submissions made by counsel.

Evidence of Corp

First statutory declaration of Peter Wilkes of 8 November 2002.

13) Mr Wilkes is marketing director of the European consumer banking division of Citibank International Plc, a position he has held since August 1996. His responsibility is more on the individual banking or “global consumer” side of his company’s business than on the corporate or “global corporate banking” side, although there is a degree of overlap between the two.

14) Citibank International Plc is an “indirect” wholly owned subsidiary of Citibank NA, which is in turn owned by Citicorp. Citibank NA and Citicorp are in turn wholly owned by the ultimate parent company, Citigroup, Inc.

15) The net income of the worldwide organisation is as follows:

Year	Net income (worldwide) \$ millions
1993	2219
1994	3366
1995	3464
1996	3788
1997	3591
1998	5807*
1999	9867*

* Follows the merger with Travellers Group on 8 October 1998 after which the top company of the new organisation was Citigroup, and not Citicorp.

16) The global consumer business provides a global consumer banking service; encompassing branch and electronic banking, credit and charge card services and personalised wealth management services for high net worth clients. The global corporate banking business serves corporations, financial institutions, governments, investors and other participants in developed and emerging markets throughout the world. The figures for the global consumer business are as follows:

Year	Net income (worldwide) \$ millions
1994	1783
1995	1968
1996	2043
1997	1553
1998	2708
1999	4240

17) The trade mark CITIBANK has been used in the United Kingdom since 1976. Exhibited at PW13 is promotional material for the period 1997-1998. This shows use of CITIPHONE BANKING in material emanating from January 1997 and June 1998 and CITICARD in material emanating from March 1997. These two trade marks are also referred to in other CITIBANK literature. The material shows use of the CITIBANK trade mark for the following:

Foreign currency, travellers' cheques - March 97;
annual travel insurance - April 97, Feb 98 and May 98;
share dealing - April 97;
mortgages May 97.

There are various types of bank account. Constantly used with the literature, is the phrase "THE CITI NEVER SLEEPS ®". The use of CITICARD and CITIPHONE BANKING is always with material also showing the CITIBANK name. The following appears in the small print at the end of the leaflets: "Ultimately owned by Citicorp, New York, USA". The leaflet of October 1997 lists three branches of the bank, all are in London.

18) CITIBANK DIRECT ACCESS, also referred to as CITIBANK PC BANKING, was introduced in mid-1997, this allows customers the facility to carry out a number of transactions on-line.

19) The revenue for goods and services provided in the United Kingdom for consumer business only under the trade mark CITIBANK was as follows:

Year	Revenue £ millions
1994	29
1995	39
1996	71
1997	25
1998	25
1999	31
2000	40

The above figures represent all United Kingdom revenue, inclusive of fee income, for those services provided under the CITIBANK trade mark which fall within the United Kingdom consumer banking business ie branch and electronic banking, credit and charge card services and personalised wealth management services for high net worth clients. They do not include United Kingdom corporate banking revenue.

20) Mr Wilkes goes on to describe the position of Citibank as of the date of his declaration. As this is some three years after the latest possible material date I do not consider that this helps me in assessing the position as of 7 October 1999 (or earlier). However, he states that the pages downloaded from the website prior to April 2001 and exhibited at PW4 are substantially similar to what has been the position since 1998.

21) Advertising and promotion in the United Kingdom of consumer banking services under the CITIBANK trade mark have been as follows:

Year	Advertising expenditure (£ million)
1997	3.6
1998	6.2
1999	4.5
2000	3.1

22) The amounts shown above were spent in the following ways:

- Advertising in national and London newspapers, including the “Sunday Times”, the “Financial Times”, “Metro” and the “Evening Standard”. Exhibited from PW5 to PW12 are copies of advertisements from 1997. The advertisements primarily promote CITIBANK banking services which are normally accessed by telephone or the Internet. The strap line “THE CITI NEVER SLEEPS” appears in all the advertisements (including the job vacancy advertisement exhibited at PW9). All of the advertisements include in the small print “ultimately owned by Citicorp, New York, USA”.
- Television advertising and advertising of services on the website citibank.com since the second half of 1998. No details are given as to when and where the television advertisements were broadcast and no copies of the advertisements have been exhibited. The services have also been advertised and promoted at trade fairs and exhibitions.
- Production of promotional leaflets, brochures and other corporate literature. Exhibited at PW13 (which has been referred to above) are copies of such material emanating from January 1997 to December 1998. The leaflets and brochures were disseminated through bank branches and sent to customers. On average 60,000 copies of each leaflet were printed and distributed. Exhibited at PW14 are copies of a further four leaflets emanating from between January and March 1999.
- Publication of “Citibank News”, which is disseminated through branches and offices. Exhibited at PW15 are copies of examples from Autumn/Winter 1997 and Spring 1998. Approximately 50,000 copies were printed. There are references to CITIPHONE BANKING and CITIGOLD, a foreign currency savings account, and CITICARD. The spring edition has an article on CITIBANK mortgages and buildings and contents insurance.
- Sponsorship activities. In 1998 CITIBANK was the sole sponsor of Elton John’s world concert tour. The singer appeared in three specially made CITIBANK television advertisements in late 1998, reference is made to this in “Citibank News” of Spring 1998; the cover of which also shows the singer carrying a giant CITIBANK CITICARD. Exhibited at PW16 is a copy of a presentation given to the sales and distribution department in June 1998 which refers to the collaboration with Elton John; as well as detailing other promotional and marketing activities during the year eg free Internet access. A page referring to the latter promotion shows a page downloaded from the Internet which as well as referring to CITIBANK has several references to CITIWEB.

Second statutory declaration of Peter Wilkes of 8 November 2002

23) CITICARD has been used continuously since October 1994. Exhibited at PW17 are two examples of the card. The card bears the wording CITIBANK and logo and the word CITICARD on the front. On the reverse of the card are two references to CITIPHONE BANKING. The card has the following purposes:

- The withdrawal of cash from ATM cash dispensing machines.
- The transfer of funds between accounts, seven days a week.
- Use of the card as a debit card.
- Setting up direct debits and standing orders and ordering foreign currency.
- Guaranteeing cheques.
- Proof of a customer's identity in all branches of the opponents and their subsidiaries and affiliates.
- Access to Citigroup's worldwide telephone banking services.
- Secure access to customers' accounts over the telephone.
- Access to financial information through Citigroup's branches.
- Identification for customers in relation to various banking services.

The card acts as a gateway to CITIBANK'S customer services.

24) There are no direct fees levied from CITICARD holders merely for possessing one of the cards. The following numbers of cards were distributed to United Kingdom customers:

Year	Number of cards
1995	5,655
1996	12,298
1997	22,737
1998	40,083
1999	102,367

The figures given by Mr Wilkes in his first declaration include expenditure upon advertising for services offered under the trade mark CITICARD. Material relating to CITICARD is exhibited at PW19 – PW24. All of the material emanates from prior to the date of application for the trade mark. There are references also to CITIPHONE. The document exhibited at PW24 also includes references to CITICORP and CITIGOLD. This publication also has application forms for annual travel and personal accident insurance.

Statutory declaration of Robert Harry Binney of 8 November 2002

25) Mr Binney is the managing director of global securities services, a division of Citibank NA. He has held this position since 1996.

26) The global securities services division deals with the corporate side of Corp's organisation. These services can be identified as follows:

- **Small business products and services.** These include small business banking services, brokerage services and cash management services, leasing services, retirement solutions, credit card services and business and travel credit card services.
- **Corporate and investment banking services.** These include global equities, global fixed income, global foreign exchange, global futures, global investment banking, global research services, leasing and commercial finance, municipal securities, alternative investments, corporate benefit services and global e-business.
- **Treasury and cash management services.** These include e-commerce and cash management services, online banking, e-commerce and electronic account services, cash management and treasury solutions, commercial cards, business-to-business and business-to-consumer e-billing, currency payments and private label credit card programs.
- **Global securities services.** These include transaction services for investors, intermediaries and issuers, including agency and trust services, clearing, depository receipts, securities finance, custody and fund administration services.
- **Corporate benefit services.** These include stock plan services, corporate retirement services, executive benefits services, executive financial services, corporate trust services and corporate investment services.

27) Parts of Mr Binney’s subsequent evidence do not focus upon the United Kingdom and/or the position at the date of application of the trade mark. The United Kingdom is a very important market for the services provided by Mr Binney’s division, which uses the trade mark CITIBANK in relation to all its activities.

28) The revenue in the United Kingdom for services provided by the global securities division was as follows:

Year	Revenue US\$ millions
1996	73
1997	90
1998	140
1999	177

29) Exhibited at RHB2 is a copy of a brochure entitled “CITIBANK Securities Lending”. This includes the strap line “the Citi never sleeps”. The brochure is dated December 1997 and was approved for distribution in the United Kingdom.

30) The following figures are given for the promotion of global securities services’ products and services in the United Kingdom:

Year	Advertising expenditure US\$ thousands
1996	7
1997	1
1998	93
1999	81

The material exhibited from RHB4 to RHB8 all emanates from 2002 and so well after the material date for this case. **Mr Binney states in his declaration that he believes that 2002 is the material date for this case.** Mr Binney does state that this material is “qualitatively very similar to corresponding promotional and advertising material produced in the years 1996-2001”. Mr Binney’s remaining exhibits all emanate from well after the material date in this case.

31) Owing to the global nature of the business of the global securities services division I will give the worldwide revenue and promotional figures:

Year	Revenue US\$ millions
1996	574.5
1997	715.8
1998	764.5
1999	802.8

Year	Advertising expenditure US\$ thousands
1996	1430
1997	2154
1998	2992
1999	2816

Statutory declaration of Julia Elliott of 8 November 2002

32) Ms Elliott is employed by Citibank NA. She is senior vice-president and counsel of Citigroup Inc and deputy head of fixed income legal in the United Kingdom. She has been employed by Citibank NA since May 1998 and has been in her current position since June 2001. Ms Elliot exhibits extracts from various publications. She states that all of the publications are extensively distributed in the United Kingdom. She exhibits at JE1 extracts from the following editions of the publication “Corporate Finance”: September and October 1995, January 1999, September 1999, January 2000, February 2000, September 2000 and September 2001. The September 1995 extract relates to CITIBANK being the dominant provider of foreign exchange services to large multinational corporations. It tops three tables for 1994 and 1995 in overall terms and by volume and frequency of use. In all of the tables it is considerably ahead of its nearest rival, Bank of America. The October 1995 extract reproduces the three tables from the September issue. Tables are also displayed for other categories. The category and the position of CITIBANK are given below:

Charting services: third in 1995, second in 1994.

Market commentary/analysis: first in 1995.

Emerging market research: first in 1995.

Daily phone/fax commentary: fourth in 1995.

Forwards – less than one year: first in 1995 and 1994.

- more than one year: first in 1995 and 1994.

Major currencies: first in 1995.

Regional currency areas: first in all five areas.

Single options: first in 1995 and 1994.

Exotic customised strategies: second in 1995 and 1994.

Multi-option strategies: first in 1995.

33) Tables are then given for top banks in various currencies in 1995 and 1994. CITIBANK appears in all the tables and in first place in many of them. The same applies in relation to key cross-rates. In relation to top banks for foreign exchange business CITIBANK appears in all the tables. In relation to London it appears as first in 1995 and second in 1994. The other tables in the extracts show a similar pattern of CITIBANK as being the top or one of the top banks in relation to foreign exchange business. The September 1999 extract shows CITIBANK as being the overall top bank in 1998 but having lost that position to Deutsche Bank in 1999, CITIBANK is second then.

34) Exhibited at JE2 are copies of extracts from the following editions of the publication "Euromoney": May 1999, July 1999, May 2001 and May 2002. The various polls relate to foreign exchange business. The May 1999 extract states:

"In Euromoney's 1999 foreign exchange poll of corporations, banks, insurance companies, institutional investors and government entities, Citibank was named No.1 for the 21st consecutive year."

Exhibited at JE3 are copies of extracts from the following editions of the publication "Global Investor": November 1996, March 2001 and March 2002. Again the tables relate to foreign exchange services. The November 1996 extract has CITIBANK as supplying the best foreign exchange services, as voted by fund managers.

35) Exhibited at JE4 are extracts from "Willings Press Guide". These give the following circulation figures:

"Corporate Finance" 10,000 in 2000, no figure given for 1998

"Euromoney" 7,668 to June 1999, 30,916 to June 1997, 8,707 to June 1998

"Global Investor" 8,000 in 2000, no figure for 1998, 7,915 for 1999

Witness statement of Alexander Hall of 24 June 2003

36) Mr Hall joined Deutsche Bank in September 1990 as a graduate trainee. In March 1993 Mr Hall moved to Union Bank of Switzerland as an associate in debt capital markets. In January 1995 he joined Heidrick & Struggles, an international firm of executive search consultants, in the capacity of a research associate within the firm's financial services practice in London. Mr Hall since January 1995 has been employed as a "head-hunter", specialising in the financial services sector for almost all of this time. Mr Hall is currently employed by Whitney Group, an executive search firm operating primarily in the financial services sector. Mr Hall goes on to explain the nature of the work of an executive search consultant. He comments on how over the years he has built up a detailed understanding of the structure, modus operandi and reputation of the main financial institutions in the United Kingdom and overseas.

37) Mr Hall states that for most of the time that he has been involved in executive search Citigroup has been referred to primarily as CITIBANK. He states that it is very well-known in the United Kingdom as a financial institution and would be one of the first banks referred to by members of the finance and business community. He also states that there is quite a high awareness of CITIBANK's retail activities. Mr

Hall states that CITIBANK is one of the most well recognised brands in the financial services sector. Mr Hall comments that over the last few months he has been asked by senior executives who are the winners and losers in the marketplace. He states that he has nominated Citigroup as the clear winner for a number of reasons; not least because it has combined investment banking and commercial banking very successfully, has a broad sphere of influence and activity and a high degree of reputation.

38) Mr Hall states the following:

“In my opinion, the CITI- prefix would be widely regarded, certainly within the financial and business community, as an integral part of Citigroup’s reputation and identity. Speaking for myself, if I see other trade marks beginning with the letters CITI, I would infer a connection with the Citigroup organisation. I would say that the same would be true across a very large proportion of the financial community, and a fairly high proportion of the business community generally. This does not seem to me to be surprising, given that the CITI-prefix has been a clear and dominant part of their brand name for a great many years. This perception of a link with the Citigroup organisation, in my opinion, applies right across the spectrum of financial goods and services. Outside that sphere, I would say that the presence of the CITI element in a trade mark would still cause a perceived link with the Citigroup organisation, if there were any kind of connection with the financial world under that trade mark, or any suggestion of co-branding with an organisation from another sector.”

Statutory Declaration of Suzanne Jill Hutchinson of 12 May 2003

39) Ms Hutchinson is a technical assistant at fJ Cleveland. On 24 October 2002 she conducted a consumer survey on London Bridge. She carried out the survey with David Gould, who has also furnished a declaration. She had been given a questionnaire labelled A incorporating six questions. Between 10.15 and 12.50 she approached passers-by. If a member of the public agreed to be interviewed she showed them a card with the trade mark CITYBOND printed in black ink. The card was in the respondent's view whilst they answered the questions. She interviewed twenty nine respondents. The questionnaire is in the following form:

QUESTIONNAIRE A – CITYBOND
ALL RESPONSES MUST BE RECORDED VERBATIM

Do not show the interviewee this form

Would you mind if I asked you a few questions – it will only take a couple of minutes?

Yes..... No.....

Show interviewee card

1. I'd like you to consider the trade mark CITYBOND being used in relation to insurance services.

Who would you think was behind the operation?

Record the response verbatim under the most applicable heading below

Citibank/Citicorp	Go to Q2
.....	
Other	Go to Q2
.....	
Don't Know	Go to Q3
.....	

2. Why do you say that?

.....

3. Does the "City" prefix indicate anything to you?

Yes
(*record answer, if necessary prompt with* What does it indicate to you? Of If so, what?)

Ms Hutchinson gives a breakdown of Mr Gould's results also. In her breakdown of the figures Ms Hutchinson records 10 answers as indicating CITIBANK/CITICORP is "behind the operation". However, five of the answers are qualified as follows:

"Probably Citibank. It's the logical conclusion. They have products with names such as Citi this and Citi that."

"About only things I know that starts with CITI."

"Citi-bond citi + bank. I can see the link. I know its spelt differently."

"I used to work for Citibank. It's A well known name."

"No idea – Citi Bank maybe but think more so if "i" replaced the "y".

Statutory declaration of Jane Armstrong of 12 May 2003

42) Ms Armstrong is head of marketing of Citigroup Asset Management Ltd, an indirectly wholly owned subsidiary of Citigroup Inc. She has held this position for one year. Her job is to manage the marketing of asset management products throughout Europe, the Middle East and Africa. Citigroup Asset Management, the combined global asset management business of Citigroup Inc, was established in 1998 as a result of a merger between Citicorp and Travelers Group and as of 30 September 2002 had combined assets in excess of US\$ 451.8 billion. Ms Armstrong states that there are the following investment funds: CITIBOND, CITIEQUITY, CITISELECT and CITIMONEY. The CITI FCP (fond commun de placement –mutual fund) is a mutual fund established on 24 June 1988. The fund consists of a number of sub-funds. Each sub-fund has a portfolio of investments and offers investors the opportunity to participate in various equity and bond markets of the world. These sub-funds are marketed under the trade marks CITIBOND and CITIEQUITY. Exhibited at JA1 is a document entitled "Citi FCP key features", which appears to have been printed in September 2002. This document gives details of various funds which go under the title of CITIEQUITY or CITIBOND. Ms Armstrong states that prior to October 1999 three funds had been launched by reference to CITIBOND: CITIBOND European Currencies Limited-Term Fund (16 October 1996), CITIBOND European Currencies Fund (3 October 1998) and CITIBOND US Dollar Fund (27 May 1988). **However, Ms Armstrong states:**

"The CitiBond prefix was first used in association with these funds in January 2000 and has been used continuously ever since."

The only way I find that this can be interpreted is that the funds existed prior to January 2000 but that the name used in relation to them, CITIBOND, was not used until January 2000.

43) Ms Armstrong goes on to state that the name CITIMONEY, in relation to money market funds, was first used in January 2000 in the United Kingdom and has been used continuously ever since. The name CITISELECT was first used in 1997 in the United Kingdom and has been used continuously ever since. Exhibited at JA2 are printouts from the Internet in relation to "Citi Family of Funds". All of the printouts

bear a copyright date of 2002. Exhibited at JA3 is a brochure entitled "Citi Family of Funds" which Ms Armstrong states was available and distributed from the first quarter of 2000. There are also two "CITISELECT portfolios" brochures. Ms Armstrong states that these were available from June 1999. However, one of the brochures has details of the fund size and performance as of 31 August 2000, so I cannot see how it was available in 1999.

Statutory declaration of Sarah Khawaja of 26 June 2003

44) Ms Khawaja is a technical assistant with fJCleveland. On 26 May 2003 Ms Khawaja visited a branch of each of four banks: Barclays, Lloyds TSB, NatWest and HSBC. She exhibits at SK1 a brochure from Barclays and some printouts from the website barclays.co.uk. The brochure and the website list various insurance products: home insurance, car insurance, hospital cash plan, personal accident insurance, travel and business insurance. Ms Khawaja exhibits at SK2-SK4 similar matter in relation to the other three banks.

Statutory declaration of David Palmer of 27 June 2003

45) Mr Palmer is sales and marketing director of Citibank International Plc, which is an indirectly owned subsidiary of Citibank NA. He has held this position for two months. From approximately 1992 CitiGroup has offered, through Royal Alliance Plc, building and contents insurance in connection with Citibank's mortgage services. Since approximately 1998 Citibank has been offering travel insurance through UNAT. Mr Palmer goes on to give evidence about matters arising from well after the material date in this case. He does, however, state that since approximately 1998 Citibank has offered personal accident insurance in the United Kingdom through UNAT.

Evidence of Holdings

Witness statement of Mansukh Ganatra of 29 March 2004

46) Mr Ganatra is the managing director of Holdings. He states that he has held this position since 1 April 1984. Ganatra Enterprises Limited was formed on 11 February 1980. On 10 June 1983 it changed its name to Alpine Financial Planning Limited and commenced trading as an insurance intermediary. It traded as life and general insurance agents. The name of the company was changed to Citybond Financial Planning Limited on 27 November 1985 which was registered as a public company, Citybond Financial Planning PLC, on 31 October 1990. This in turn changed its name to Citybond Holdings PLC on 19 February 2002.

47) Holdings acts as a scheme manager for travel insurance schemes, which it develops, working with travel insurance underwriters. It acts as an insurance broker's broker in that travel and insurance intermediaries buy Holdings' product. The CITYBOND name has been used as part of the name of various trading divisions over the years:

CITYBOND Travel Insurance
CITYBOND Travel Consultants
CITYBOND Insurance Brokers

CITYBOND Financial Planning
CITYBOND Suretravel.

48) Mr Ganatra states that Holdings markets its policies to its customers in the following manner:

- From its own database of insurance brokers and travel organisers.
- An active website for the use of agents.
- Direct mailing, personal contacts and networking within the industry by participating in various conferences and events.
- Holdings is an ABTA industry partner.
- Flexcover Ltd, a subsidiary of Holdings, sells travel insurance policies directly to the public via national press advertising and database marketing via its call centre in Bromley, Kent.

The split of trade and direct business is 65:35 in terms of net commission generated.

49) At MG2 the results of a Google search for the term citybond insurance are exhibited. The search was conducted on 29 March 2004. Mr Ganatra states that over 96% of the hits refer to Holdings.

50) The approximate annual commission earned in respect of services provided under the CITYBOND trade mark in pounds sterling is as follows:

1985/6	92,578
1986/7	120,000
1987/8	135,000
1988/9	261,479
1989/90	130,000
1990/91	245,263
1991/2	308,768
1992/3	373,766
1993/4	516,003
1994/5	462,568
1995/6	492,948
1996/7	629,391
1997/8	733,644
1998/9	945,652
1999/2000	1,037,723

51) Exhibited at MG3 is a spreadsheet showing trading and advertising figures. The column relating to advertising is entitled "Advertising etc". The figures are as follows:

Year to 31 March	£
1985	269
1986	366
1987	1,545
1988	1,346
1989	1,397
1990	2,672
1991	2,986
1992	4,733
1993	5,859
1994	12,784
1995	13,618
1996	17,780
1997	16,479
1998	17,878
1999	27,196
2000	22,347

52) The marketing budget is spent on buying regular advertising space with trade journals. Holdings has promoted its services under the CITYBOND trade mark by means of press advertising in the following United Kingdom publications:

“Travel Trade Gazette”, “Travel Weekly”, “Travel Bulletin”, “Independent Travel News”, “ABTA Magazine”, “Scottish Travel Agents News”, “Professional Broking”, “General Insurance”, “Insurance Age”, “Insurance Times”, “Insurance Buyers’ Guide”, “Insurance Today”, “Post Magazine”.

53) The following figures are given for the circulation and target audience of the publications:

“Travel Bulletin”	32,640 weekly	travel agents
“ABTA Magazine”	16,500 monthly	travel agents
“Professional Broking”	17,500 monthly	insurance brokers
“General Insurance”	10,200 bi-monthly	insurance brokers
“Insurance Times”	20,000 weekly	insurance brokers
“Insurance Buyers’ Guide”	35,000 one-off	insurance brokers
“Post Magazine”	50,000 weekly	insurance brokers
“Insurance Age”	18,000 monthly	insurance brokers
“Travel Trade Gazette”	24,000	travel agents
“Travel Weekly”	24,000	travel agents

54) Exhibited at MG6 are copies of various articles referring to CITYBOND emanating from prior to the material date. There are a large number of articles all of which refer to CITYBOND or CITYBOND travel or CITYBOND travel consultants; some of them also refer to the names of specific policies such as Travelbond, Young Traveller, Visitorbond and Spectrum. A number of the articles deal with CITYBOND at some length.

55) Holdings has also promoted its services by means of a newsletter entitled “Citybond News”. Exhibited at MG7 is a copy of the newsletter from Summer 2000.

56) Mr Ganatra states, based upon Mintel figures (exhibited at MG3), that in 2003 Holding's estimated share of the United Kingdom travel insurance mark was 2.1%, rising to 2.8% if Flexcover Ltd's sales are included. The gross written premium value for 2003 was £13,106,179 whilst that for the last full year before the material date was £5,468,943.

57) Exhibited at MG5 is a copy of a company valuation report. The report is based on the position at 31 March 2003 and so well after the material date.

58) Mr Ganatra states that Holding's sales are made throughout the United Kingdom. It offers a number of travel insurance schemes for sale by agents to their customers, who are in the main United Kingdom citizens/residents. A small number of policies are sold to non-residents and overseas citizens.

59) Holdings employs some forty people in its office in Beckenham, Kent. A further thirty four people are employed in its subsidiary, Flexicover Ltd, based in Bromley, Kent.

60) Holdings' website, citybond.co.uk, currently generates five per cent of its income. There is no indication when this website went live. As of 15 March 2004 the CITYBOND agency network included 1,486 agents who book their insurance through the central policy issuing call-centre and a further 614 agents who issue policies at the point of sale, including web sales. The network encompasses all of the United Kingdom, including Northern Ireland.

61) Mr Ganatra goes on to give details of promotional activities that emanate from well after the material date in this case or are not identified by date. However, he does advise that since 1985/86 Holdings has produced wall clocks, alarm clocks, diaries, key fobs and pens bearing the name CITYBOND. In 1998 and 1999 Holdings assisted agents in organising stands at ski shows in Birmingham. Exhibited at the end of MG-8 are some copies of advertisement. These all bear CITYBOND and CITYBOND TRAVEL CONSULTANTS. They bear 0181 telephone numbers, which in his submissions Mr Mellor consequently describes as "clearly quite old".

62) Finally Mr Ganatra states that there have been no incidents of confusion between his business and that of Citibank.

Evidence in reply of Corp

Witness statement of Jennifer Noel of 28 September 2004

63) Ms Noel is a trade mark attorney with fJ Cleveland. On 8 September 2004 she entered the website of Flexicover Limited, flexicover.co.uk. This is a travel insurance site. Ms Noel exhibits copies of the pages that she viewed. A large number of pages are exhibited, including the terms and conditions. I can only see one reference to Holdings, in the "About Us" part of the website:

"Flexicover Limited is a 100% owned subsidiary of Citybond Holdings PLC. Citybond, now in its 22nd year of trading, is one of the largest independent

suppliers of travel insurance products in the UK and is a member of the GISC.”

Witness statement of Nicola Helen Amsel of 29 September 2004

64) Ms Amsel is a partner of Amsel & Co, a firm of commercial investigators. On 17 April 2003 she conducted some investigations into use there might be of the trade mark CITYBOND by Citybond Financial Planning Plc.

65) Ms Amsel states that on 24 April 2003 she telephoned Holdings at their offices at 109 Elmers End Road, Beckenham, BR3 4SY on 0870 444 6431. The call was initially answered by a pre-recorded message stating that this was CITYBOND Travel Insurance and requesting the caller to hold. After a short interval the call was picked up in the name of CITYBOND TRAVEL by a Charlene Edwards. Ms Amsel states that Ms Edwards supplied the following answers – she does not give a transcript of the conversation:

- The group is in the business of travel/travel related insurance for companies and their employees.
- It deals almost exclusively with agents and/or brokers as opposed to the end user. It does, however, on occasion deal directly with customers who have been referred to it by an agent or broker.
- CITYBOND is only used as the name of the company and not as the title of the services. The travel insurance services were said to be all under the umbrella name SPECTRUM.
- The business is conducted principally by telephone, fax or post as opposed to personal visits to the premises in Beckenham. Personal visits are by appointment only. Customers do not walk in off the street. Customers can purchase policies on-line but “the impression given was this was a relatively new feature”.
- The company does not have a specific brochure. Upon registering as an agent or broker, the agent or broker would receive a package containing leaflets for all of its policies.

66) Ms Amsel gives no details as to Ms Edwards’ position in the company or her length of service there.

67) Ms Amsel obtained an article from “Travel Trade Gazette UK” of 5 August 2002, in which Iain Chalmers, who is identified as sales director of CITYBOND, gives answers to questions. Mr Chalmers states that the website should be ready to launch soon. He mentions CITYBOND twice, on the second occasion he states:

“The success of Citybond, marketing its range under the Spectrum brand, has been to recognise opportunities and develop products for niche markets.”

68) Ms Amsel also exhibits the following documents:

- Financial statement/Directors’ report 31 March 1999 for Citybond Financial Planning Plc. These show turnover for the years endings 31 March 1998 and 1999 as £733,644 and £945,652 respectively with net profits of £255,581 and £431,494 respectively.

- Directors' report 31 March 2000 for Citybond Financial Planning Plc.
- Directors' report 31 March 2001 for Citybond Financial Planning Plc.
- Financial statement and full accounts, Annual return, 31 March 2002 for Citybond Holdings Plc. The report for 31 March 2002 advises that on 22 March 2002 Holdings acquired 100% share capital of Flexicover Ltd. This acquisition was supposed to have been concluded on 1 April 2001.

DECISION

Findings of fact

69) Part of the argument of Corp rests on a family of trade marks case. To get off the ground it is necessary to show that before the date of application that the trade marks were in use. Family of trade marks are about perception of the consumer and so there has to be use.

70) The evidence of Ms Armstrong has internal anomalies. She states that various CITIBOND funds were issued from October 1996 onwards. However, she goes on to state that CITIBOND was first used in relation to the funds in January 2000. Ms Armstrong states that the "CITISELECT portfolios" brochures were available from June 1999. However, one of the brochures has details of the fund size and performance as of 31 August 2000. The best that can be said of Ms Armstrong's evidence in relation to the use of trade marks is that CITISELECT has been used in relation to investment funds since sometime in 1997. None of the rest of her evidence supports use of other CITI+ trade marks prior to the date of the filing of the application.

71) The trade marks CITICARD, CITIPHONE, CITIWEB, CITIBANK and CITICORP have been used in relation to personal current account services. The CITICARD trade mark has been used in relation to the card issued to account holders, CITIPHONE in relation to the telephone banking service and CITIWEB in relation to the Internet services. There was also use prior to the date of application of the trade mark CITIGOLD, in relation to a foreign currency savings account. The exhibits support use of CITIBANK in relation to the following retail related banking services:

foreign currency, travellers' cheques - March 97;
 annual travel insurance - April 97, Feb 98 and May 98;
 share dealing - April 97;
 mortgages May 97.

There has been constant use of the strap line "The Citi Never Sleeps".

72) Mr Silcock described various of the above trade marks as being "limping" trade marks as they were invariably used with the trade mark CITIBANK. I consider that whether a trade mark is "limping" is jointly dependent upon the nature of the trade mark and its use. The term was, of course, used by Jacob J in *Philips Electronics NV v Remington Consumer Products Limited* [1998] ETMR 124. It did not find a great deal of approval from Aldous LJ in the same case ([1999] ETMR 816:

"I would not have referred to it as "limping", whatever that may mean."

I do not consider that the various trade marks would qualify as being “limping” in the context that Jacob J used it. The presence of CITIBANK in relation to the other trade marks indicates to the relevant consumer that each of the various trade marks is linked. Not only do the trade marks follow a similar pattern CITI + descriptive word but they are identified as having the same origin. For an argument in relation to a family of trade marks to succeed the relevant consumer has to be aware of the linkage. If there are various trade marks which have a common element and/or pattern but the relevant consumer does not link them together, is not likely to perceive a common ownership, then the family of trade marks argument serves no purpose. All the relevant consumer is seeing is an element that occurs in various trade marks which he or she does not connect to a common ownership. The argument then runs counter to that proposed, as it would indicate that the average consumer does not see the common element/pattern as an indicator of a common ownership, and so another trade mark having the common element/pattern will not be identified as being in another’s ownership because of this common element/pattern. So, in relation to the family of trade marks argument, I consider that the presence of CITIBANK strengthens the family argument. It makes the link clear and definite. In this case the Corp customer has been educated to seeing Corp as using CITI+ descriptive word as indicating, at least in the financial sphere, ultimate ownership by Corp. If he or she has used one service/product of Corp, he or she is almost certain to have been aware of other products using the same pattern. The CITIBANK current account holder will have to be aware of CITIPHONE and CITICARD as these trade marks identify the way that the accounts are accessed. He or she is also quite likely to be aware of CITICORP which also appears on the literature, if in small print.

73) So I find that Corp has established that the following form a family of trade marks: CITIGOLD, CITISELECT, CITICARD, CITIPHONE, CITIWEB, CITIBANK and CITICORP. All of them have been used in relation to various financial services. The only trade mark that appears to have been used in specific relation to insurance services is CITIBANK. The family of trade marks is formed by the use of CITI plus a descriptive word. There is also use of the trade mark THE CITI NEVER SLEEPS, however, although this includes CITI it does not follow the pattern established in the other trade marks: CITI + descriptive word, presented as one word. Consequently, it does not form part of the family of trade marks.

74) There is no doubt that CITIBANK has an enormous reputation in relation to what Corp describes as corporate banking services. It certainly has a protectable goodwill in relation to what Corp describes as consumer banking services. However, at the date of the filing of the application its business was relatively modest. To access an account a CITICARD is needed. Consequently, it is logical that the number of CITICARDS in circulation at any one time is equivalent to the number of account holders. Mr Wilkes gives figures for the number of cards distributed to United Kingdom customers. It is not possible to clearly tell if figures for each year represents a cumulative total of cards in circulation or the figures for each year represent the number of cards issued in that year. If the latter, one still does not have a clear figure as to the number of actual account holders as bank cards are issued for a limited period of time and replacements issued. It strikes me even given the best gloss for the figures, that in terms of consumer banking the number of account holders is modest, at least compared to the main high street banks in the United Kingdom. There has

also been advertising, certainly in newspapers. However, in considering advertising expenditure it is useful to bear in mind the comments of Collins LJ in *A W Gamage, Ld v H E Randall, Ld* [1899] 16 RPC 185 at page 201:

“It is no use affirming before us that the Plaintiffs have spent a very large sum of money in advertising. They may have thrown their bread on the waters and it may not have returned to them yet; hereafter possibly it may. Advertising is simply a method by which the Plaintiffs hope that they will succeed in identifying their name with the name of the shoe in such a way that when a person asks for a “Shorland” shoe he expects and intends to get a shoe coming from *Gamages’* shop. That is the purpose of advertising. It is not *ad rem* at all unless it has succeeded in producing that effect.”

75) I consider that in relation to corporate banking the trade mark CITIBANK has a reputation that satisfies the criteria of *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572 (*Chevy*):

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

I do not consider that the same can be said for the consumer side of the banking business. In relation to insurance services the most that can be said is that the CITIBANK trade mark has been used in relation to such services.

76) The evidence of Holdings supports a claim to use of the trade mark CITYBOND since 1985 up to the date of the filing of the application. In relation to the nature of the business and the use of the trade mark, I find the evidence of Ms Amsel of little assistance. Her conversation with Charlene Edwards was well after the material date. There is no indication of Ms Edwards’ length of service, knowledge of the business or her position. However, there is clear documented evidence showing use over a long period of time of CITYBOND for travel insurance. The CITYBOND trade mark has been used in both insurance and travel trade journals. The officers of Holdings have appeared in these journals and have been associated with the trade mark CITYBOND. Holdings has also used other trade marks in connection with CITYBOND. However, the evidence firmly supports a use and knowledge of CITYBOND. Much of that knowledge will be in the trade but a goodwill can exist in the trade as well as with the public. However, the evidence shows that the public will also have the CITYBOND name presented to them on policies and in advertising. In his submissions Mr Mellor picked up on Mr Silcock’s referral to “travel insurance schemes manager”. He saw this as a way of encapsulating the business of Holdings. Mr Mellor commented that this came up in the evidence. Mr Ganatra states:

“My company act as a Scheme Manager for travel insurance schemes which it develops, working with specific travel insurance underwriters and for this purpose, acts as an insurance “broker’s broker”, in that travel and insurance intermediaries buy the Company’s products as a “wholesale supply”.

However, Mr Ganatra goes on to give further examples of use and his exhibited evidence shows various types of use. Adopting the position taken by Aldous LJ *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32 (if in relation to a

different matter), I consider that taking into account the use, and making sure that it reflects the circumstances of the particular trade and the way that the public (in this case both the trade and the public at large) would perceive the use, that Holdings had a goodwill in relation to travel insurance and travel bonding by reference to the sign CITYBOND by the date of the filing of the application. It has used this sign since 1985 in relation to travel insurance services and travel bonding services.

Objections under section 3(1)(b) and (c) of the Act

77) Section 3(1) of the Act reads as follows:

“3.-(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

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.”

78) In *Celltech R&D Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-260/03* the Court of First Instance (CFI) considered the relationship between section 3(1)(b) and (c) of the Act:

“21 In that regard, it must be borne in mind that each of the grounds for refusal to register listed in Article 7(1) of Regulation No 40/94 is independent of the others and calls for separate examination. Furthermore, the various grounds for refusal must be interpreted in the light of the public interest underlying each of them. The public interest taken into account in the examination of each of those grounds for refusal may, indeed must, reflect different considerations, depending upon which ground for refusal is at issue (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-0000, paragraphs 45 and 46, and the *SAT.I* judgment, paragraph 25).

22 However, there is a clear overlap between the scope of the grounds for refusal set out in subparagraphs (b) to (d) of Article 7 (Case C-265/00 *Campina Melkunie* [2004] ECR I-0000, paragraph 18, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-0000, paragraph 67, and Case

T-289/02 *Telepharmacy Solutions v OHIM – (TELEPHARMACY SOLUTIONS)* [2004] ECR II-0000, paragraph 23).

23 In particular, it is clear from the case-law of the Court of Justice and the Court of First Instance that a word mark which is descriptive of characteristics of goods or services for the purposes of Article 7(1)(c) of Regulation No 40/94 is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services for the purposes of Article 7(1)(b) of the regulation (*Campina Melkunie*, cited above, paragraph 19; *Koninklijke KPN Nederland*, cited above, paragraph 86, and *TELEPHARMACY SOLUTIONS*, cited above, paragraph 24).”

79) As an objection under section 3(1)(c) will give rise to an objection under section 3(1)(b), although not vice versa, I will deal with the section 3(1)(c) objection first.

80) The issue has to be considered in relation to the services in respect of which the application has been made. In this case:

Insurance services, travel insurance services, insurance brokerage, insurance consultancy, travel bonding; but not including sealed contract services provided by the City of London.

In *Koninklijke KPN Nederland NV v Benelux Merkenbureau* Case C-363/99 [2004] ETMR 57 the European Court of Justice (ECJ) stated:

“56. In those circumstances, the competent authority must, under Article 3(1)(c) of the Directive, determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is reasonable to assume that that might be the case in the future (see to that effect *Windsurfing Chiemsee*, paragraph 31). If, at the end of that assessment, the competent authority reaches the conclusion that that is the case, it must refuse, on the basis of that provision, to register the mark.

57. It is irrelevant whether there are other, more usual, signs or indications for designating the same characteristics of the goods or services referred to in the application for registration than those of which the mark concerned consists. Although Article 3(1)(c) of the Directive provides that, if the ground for refusal set out there is to apply, the mark must consist exclusively of signs or indications which may serve to designate characteristics of the goods or services concerned, it does not require that those signs or indications should be the only way of designating such characteristics.....

73. It follows that, where registration of a mark is sought in respect of various goods or services, the competent authority must check, in relation to each of the goods or services claimed, that none of the grounds for refusal listed in Article 3(1) of the Directive applies to the mark and may reach different conclusions depending upon the goods or services in question.....

98. As a general rule, a mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of Article 3(1)(c) of the Directive. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.....

99. However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark.”

In *SAT.1 SatellitenFernsehen GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-329/02 P* the ECJ stated:

“28 Finally, as regards a trade mark comprising words or a word and a digit, such as that which forms the subject-matter of the dispute, the distinctiveness of each of those terms or elements, taken separately, may be assessed, in part, but must, in any event, depend on an appraisal of the whole which they comprise. Indeed, the mere fact that each of those elements, considered separately, is devoid of distinctive character does not mean that their combination cannot present a distinctive character (see, by analogy, Case C-265/00 *Campina Melkunie* [2004] ECR I-0000, paragraphs 40 and 41, and C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-0000, paragraphs 99 and 100).”

81) The trade mark consists of the words CITY and BOND conjoined. CITY, or more exactly “the City”, is an abbreviation for the financial institutions of London. It is also obviously a description of an urban area; one or more meanings does not act as a shield to objection under section 3(1)(c) of the Act (see *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C191/01 P) [2004] ETMR 9). In his submissions Mr Mellor stated that in the field of travel insurance there is a recognised and rather specialised service of providing a travel bond, which is reflected in the specification of the application. In general financial terms a bond is a certificate of debt issued to raise funds which carries a fixed rate of interest and is repayable at a specified future date. In its statement of grounds Corp stated that it would illustrate in its evidence that the term “a city bond” is generally non-distinctive. I do not consider that it has furnished any evidence to support this claim. The words CITY and BOND certainly have individual relevance to finance and financial institutions. However, together I am unable to identify any specific characteristic of the services. The trade mark is allusive and does not show an immense degree of inventiveness but there is no requirement for inventiveness in a trade mark. None of those interviewed in the survey seemed to identify a clear meaning to the trade mark, although many saw an illusion to the City. In relation to the services of the application I cannot see there is any need to leave CITYBOND free

for other traders and so there is no public interest issue. **I dismiss the objection under section 3(1)(c) of the Act.**

82) In *Rewe Zentral AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (LITE)* Case T-79/00 [2002] ETMR 91 the CFI stated:

“26. The signs referred to in Article 7(1)(b) of Regulation No 40/94 are signs which are regarded as incapable of performing the essential function of a trade mark, namely that of identifying the origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition.”

I cannot see that CITYBOND would not readily facilitate repetition or avoidance of a purchase. I consider that the words CITY and BOND in combination do present a distinctive character. **I dismiss the objection under section 3(1)(b) of the Act.**

83) The exclusion in the specification is the result of an objection at examination stage. That objection has not influenced my finding, nor has the way in which it was overcome. On the basis of my findings under section 3(1)(b) and (c) of the Act I do not consider that the objection was appropriate or sustainable. However, that matter is now dead and cannot be resurrected.

Likelihood of confusion – section 5(2)(b)

84) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

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

Section 6(1)(a) of the Act defines an earlier trade mark as:

“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”

85) 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 BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723.

86) Corp has listed a large number of trade marks. Mr Mellor did not advance that any of the various trade marks on their own and not taking into account other factors put Corp in a better position. The trade marks upon which a family of trade marks argument has been based must represent one of the two best prospects of success for

Corp: CITIGOLD, CITISELECT, CITICARD, CITIPHONE, CITIWEB, CITIBANK and CITICORP. However, Corp has not relied upon CITIWEB as an earlier trade mark and so this trade mark cannot be considered. The CITIBANK trade mark must also be considered on the basis of its enormous reputation in relation to corporate banking services. I will consider the Community trade mark registrations listed below. All of them are earlier trade marks and all have the same specifications: *insurance; financial affairs; monetary affairs; real estate affairs.*

No 65367 - CITICORP
No 179531 - CITIBANK
No 179572 - CITIPHONE
No 179473 - CITICARD
No 179549 - CITIGOLD
No 585737 - CITISELECT LTD

Registration nos 65367 and 585737 are in the name of Citicorp. The other trade marks are in the name of Citibank NA. The two parties are legally linked and linked in the eyes of the public. Consequently, in relation to the family of trade marks issues I do not consider that anything turns upon the different ownership.

The survey evidence

87) Mr Mellor accepted that the survey did not comply with the criteria set out in *Imperial Group plc & Another v. Philip Morris Limited & Another* [1984] RPC 293. However, he still considered that it had validity, referring to the survey evidence in *Wagamama Ltd v City Centre Restaurants Plc and Another* [1995] FSR 713. I consider that case turned upon its own facts, Laddie J commenting that the results were consistent with what he would have expected. So the evidence was confirmatory of his own view rather than determinative of it. Mr Mellor's argument as to the survey was effectively predicated on the basis that it would confirm a view already had. On such a basis the evidence would serve little purpose. If it does not confirm my view it has no value, if it does confirm my view it serves no purpose.

88) The head note of *Imperial Group plc & Another v. Philip Morris Limited & Another* [1984] RPC 293 gives what has formed the basic template to consider surveys:

“If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j) where the answers are coded for computer input, the coding instructions must be disclosed.”

The sample is clearly skewed: a limited number of people, in one geographical area, three years after the material date. As Mr Mellor commented the people interviewed could very well have been working in the City, owing to the location of the interviews; one of the interviewees was a former employee of CITIBANK. No attempt was made to interview a cross section of persons by way of social group or location; a location that might have advertisements for Corp. The first basis for any survey is a valid population, something that was absent here. The response of one interviewee is recorded as “that place – pointing to City”. Mr Mellor considered that there was nothing to suggest that the results would be affected by the time gap. However, in January 2000 Corp started using the trade mark CITIBOND, something that might have some relevance. Between 1998 and the end of 1999 there was an enormous jump in the number of Corp’s personal customers. There is an absence of data to show whether this growth continued. In the absence of data it cannot be presumed that there was not. The problems relating to delay were commented upon by Aldous LJ in *EI Du Pont de Nemours & Company v ST Dupont* [2004] FSR 15:

“18 The judge dismissed the idea of survey evidence because “I think any attempt to rely upon a survey of this sort for the purposes of establishing public attitudes eight years earlier would be very unsafe.” He may be right as to the probative value of such evidence introduced in 2003. However he failed to take into account that that was a good reason for refusing the amendment. The notice of opposition was filed in November 1996. If the allegation had been pleaded at that date and evidence had been adduced of public attitudes at say the end of 1996 or the beginning of 1997, there would still have been argument as to the value of that evidence when the relevant date was January 1995. However EIDP would have had a better chance of establishing such attitudes were the same as existed in 1995 than they had in respect of a survey carried out in 2003. Thus the late amendment tended to prejudice EIDP. That was an indication that the application should have been refused.”

The basic question asks the respondent to speculate. Why should he or she consider who was behind the services under the trade mark? The implication is that there is a third party and effectively the respondent is being asked to guess whom it might be. The survey is effectively a guessing game. Even then the number of responses identifying Corp is limited. Several of those who Corp has placed in its camp have identified Corp with CITI and not CITY. As the respondents are responding verbally there is no ready way that they can distinguish between CITI and CITY in their replies, although several did so. So the recording of the survey is prone to error. I would also note that most of the survey forms are not fully completed, generally an absence of signatures and dates. The form of the questionnaires is also designed to record refusals to answers:

“Would you mind if I asked you a few questions – it will only take a couple of minutes?

Yes..... No.....”

Why put in a non-response indicator if it is not going to be followed? The interviewers certainly did not complete the questionnaires as they were designed to be completed.

89) Surveys if they are to have value have to be statistically sound, if one is to base any findings upon them it must be on the basis that they are robust and can represent the position at the material date. I do not consider that the survey assists me in the least in my deliberations in this case. If I did take it into account it would not necessarily be to the benefit of Corp.

The expert witness

90) Corp put in what must be described as expert testimony, from Mr Hall. I will quote again the final conclusion of Mr Hall:

“In my opinion, the CITI- prefix would be widely regarded, certainly within the financial and business community, as an integral part of Citigroup’s reputation and identity. Speaking for myself, if I see other trade marks beginning with the letters CITI, I would infer a connection with the Citigroup organisation. I would say that the same would be true across a very large proportion of the financial community, and a fairly high proportion of the business community generally. This does not seem to me to be surprising, given that the CITI-prefix has been a clear and dominant part of their brand name for a great many years. This perception of a link with the Citigroup organisation, in my opinion, applies right across the spectrum of financial goods and services. Outside that sphere, I would say that the presence of the CITI element in a trade mark would still cause a perceived link with the Citigroup organisation, if there were any kind of connection with the financial world under that trade mark, or any suggestion of co-branding with an organisation from another sector.”

Mr Hall is writing well after the material date, however, he refers to use of CITI being a clear and dominant part of the brand name for many years. I will return to Mr Hall’s evidence below.

Comparison of services

91) The specifications of the trade marks identified in paragraph 86 encompass all of the services of the application and so the respective services are identical.

Comparison of trade marks

92) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). 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*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question

constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

93) Professor Annand, sitting as the appointed person, dealt with the issue of families of trade marks in *The Infamous Nut Company Limited v by Percy Dalton (Holdings) Limited* [2003] RPC 7:

“35 It is impermissible for s.5(2)(b) collectively to group together several earlier trade marks in the proprietorship of the opponent.

36 Section 5(2)(b) speaks of registration being refused on the basis of an earlier trade mark (as defined by s.6). Thus where the opponent relies on proprietorship of more than one earlier trade mark, the registrability of the applicant's mark must be considered against each of the opponent's earlier trade marks separately (ENER-CAP Trade Mark [1999] R.P.C. 362).

37 In some circumstances, it may be possible for the opponent to argue that an element in the earlier trade mark has achieved enhanced distinctiveness in the eyes of the public because it is common to a "family of marks" in the proprietorship and use of the opponent (AMOR, Decision no.189/1999 of the Opposition Division, OHIM O.J. 2/2000, p.235).”

(The CFI has also accepted the potential effect of a family of trade marks, in *Reemark Gesellschaft für Markenkooperation mbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-22/04 at paragraph 42.) So, the comparison of trade marks must still be trade mark to trade mark, Holdings’ trade mark is not to be compared against a job lot of those of Corp. As indicated above the following trade marks satisfy the criteria for representing a family of trade marks: CITICORP, CITIBANK, CITIPHONE, CITICARD, CITIGOLD and CITISELECT LTD. CITIBANK comes freighted with an enormous reputation for commercial banking, it is the flagship trade mark of Corp, and the part after CITI starts with a letter B. If Corp cannot succeed in relation to this trade mark I cannot see that it could succeed in relation to any others upon which it has relied in this opposition. So the comparison is as follows:

CITIBANK against CITYBOND.

94) In relation to financial related matters I do not consider that any separate part of Holdings’ trade mark is distinctive and dominant. Its distinctiveness lies in its entirety, not in any individual components. BANK for financial services of itself is not a distinctive and dominant element. CITI is not a dictionary word, however, owing to its phonetic identity to CITY, it is likely to be seen as misspelling of this word. As such I consider that the distinctive and dominant element of CITIBANK lies in the spelling of CITI, it is the unusual “i” that gives character to the trade mark.

95) Both trade marks start with phonetically identical letters. BOND and BANK share two letters which will be pronounced in the same manner. However, given the other letters and the clear difference in meaning of these two words, I do not consider

the words phonetically similar despite the areas of coincidence. (There can be no mechanical separation of meaning and sound, the perception of the listener is linked to his knowledge of the word.)

96) Usually in relation to word only trade marks the visual similarities make little difference. However, in this case there is the strange “i” in Corp’s trade mark. This for me stands out, it blazes at the eye. Its variation from the norm makes it a visually distinctive and dominant component in the trade mark. It makes CITIBANK distinctively different from CITYBOND.

97) Conceptually, CITI, taking into account the services, is still likely to be seen as relating to CITY. Consequently, the two first elements are likely to have the same conceptual association. BANK and BOND both are terms used in finance, however, they have very different meanings and there is a conceptual dissonance between them. Considering the respective trade marks in their entirety I am of the view that they are not conceptually similar.

98) This still leaves the issue of the family of the trade marks. Mr Hall makes it abundantly clear that what is identified with Corp is CITI, the “CITI-prefix has been a clear and dominant part of their brand name for a great many years”. He goes on to state: “I would say that the presence of the CITI element in a trade mark would still cause a perceived link with the Citigroup organisation”. Having considered the evidence, I am happy to agree with Mr Hall; whom it is to be remembered is Corp’s witness. It is the CITI element that acts as the distinguishing factor, not CITY. If Holdings trade mark had commenced with CITI the case would have been open and shut. It does not. I am of the view that the family of trade marks acts against Corp’s case. It is the CITI prefix, as stated by Mr Hall, which identifies Corp. The public having been educated in relation to the use of this prefix will identify its use with Corp, they have been educated to distinguish it from a trade mark beginning with CITY.

99) The average consumer for the services of the specification is the public at large. Virtually everyone purchases insurance. Mr Mellor presented a case that there would likely to be aural confusion. Of course, that would be Corp’s strongest case as then there is no distinguishing between CITI and CITY. However, without the visual prompt of the “i” I do not see that there is going to necessarily be identification with Corp. Mr Mellor painted a picture of purchasing travel insurance at the last moment, in a travel agency where confusion could easily take place. This presumes that the agent identified the supplier of the policy, which in my experience, is seldom done. It then presumes that the customer will not look at the policy and see the non-CITI spelling. There is a vast difference between the concepts of imperfect recollection and the moron in a hurry. I am of the view that Mr Mellor was relying more upon the latter consumer rather than the reasonably well informed and reasonably circumspect and observant consumer. I consider that for the most part the purchasing of insurance is a careful decision. The purchaser wants to know what cover is supplied; he or she is now encouraged to shop around and compare quotations.

100) I have to consider the respective trade marks in their entirety. Such a consideration requires considering the effects of the differences as well as the

similarities (see *Croom's Trade Mark Application* [2005] RPC2). In this case I consider that the effect of the difference, the "i", is very important; especially as Corp has educated the public in relation to the use of "i". Mr Hobbs QC, sitting as the appointed person, in *Torremar* [2003] RPC 4 stated:

"At this point it is necessary to observe that marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode or element of expression to be perceived, in the context of the marks as a whole, as origin specific (see, for example, *Wagamama Ltd v City Centre Restaurants Plc* [1995] FSR 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd* [1988] FSR 283)."

In this case I do not consider the CITIBANK and CITYBOND are distinctively similar. In coming to this conclusion I bear in mind that aural confusion alone could give rise to a likelihood of confusion (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*).

Conclusion

101) I have come to the conclusion that any similarities between the trade marks are not such that as to give rise to a likelihood of confusion. This takes into account the reputation in the trade mark CITIBANK and the identity of the services encompassed. It is a given that I take into account the average consumer could be the public at large and that he or she will have to rely upon imperfect recollection. An absence of sufficient similarity between signs is such that there cannot be a likelihood of confusion. This was the judgment of the ECJ in *Vedial SA v Office for the Harmonization of the Internal Market (marks, designs and models) (OHIM)* C-106/03 P:

"51 For the purposes of applying Article 8 (1)(b) of Regulation No 40/94, the likelihood of confusion presupposes both that the mark applied for and the earlier mark are identical or similar, and that the goods or services covered in the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative (see to that effect, on the identical provisions of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 22).

52 Contrary to Vedial's claim, the Court of First Instance did not rely on the visual, aural and conceptual differences between the earlier mark and the mark applied for in deciding that there was no likelihood of confusion.

53 After making a comparative study, at paragraphs 48 to 59 of the judgment under appeal, of the two marks in the visual, aural and conceptual senses, the Court of First Instance concluded, as stated at paragraph 65 of the judgment, that the marks could in no way be regarded as identical or similar for the purposes of Article 8(1)(b) of Regulation No 40/94.

54 Having found that there was no similarity between the earlier mark and the mark applied for, the Court of First Instance correctly concluded that there was no likelihood of confusion, whatever the reputation of the earlier mark and regardless of the degree of identity or similarity of the goods or services concerned.”

This judgment confirms the position of the CFI which stated:

“63. In those circumstances, it must be held that, even though there is identity and similarity between the goods covered by the conflicting marks, the visual, aural and conceptual differences between the signs constitute sufficient grounds for holding that there is no likelihood of confusion in the mind of the targeted public.

64. The finding by the Board of Appeal that the earlier mark is widely known in France and enjoys a definite reputation in that Member State (paragraphs 28 and 33 of the contested decision) consequently has no bearing on the application of Article 8(1)(b) of Regulation No 40/94 in this case.”

As in this case there was an identity in the coverage of the specification and a reputation.

102) In his opinion in relation to the case Advocate General Ruiz-Jarabo dealt with the effects of the global appreciation where there was an absence of similarity of the signs:

“59. This claim is, at best, to no avail. From the moment that the Court of First Instance reached the conclusion, in paragraphs 48 to 59 of the judgment under appeal, that the signs were not similar to each other (as it categorically states in paragraph 65), there is neither the likelihood of confusion nor the likelihood of association to which the appellant refers. In the absence of such similarity, it is pointless to wonder whether the public would think that products identified by the new mark originate from an undertaking which is economically linked to the proprietor of the earlier mark. In addition, the judgment at first instance stated, also in paragraph 62, that, ‘Consequently, there is no risk that the targeted public might link the goods identified by each of the two marks which evoke different ideas’.

60. The second error is in paragraph 63, in which it is stated that, ‘even though there is identity and similarity between the goods covered by the conflicting marks, the visual, aural and conceptual differences between the signs constitute sufficient grounds for holding that there is no likelihood of confusion in the mind of the targeted public’, when, according to the appellant, the correct path would have been to take as a parameter the global assessment of the sign in question and to decide whether the identity or similarity are such that they may cause a likelihood of confusion.

61. This argument must be rejected, for reasons similar to those set out in respect of the first complaint: the Court of First Instance considered that the

signs display no similarity and the appellant has not properly challenged on this premiss. Therefore, it is pointless to investigate the circumstances in which two different signs may give rise to a likelihood of confusion.

62. The third error which the appellant claims to discern in the judgment under appeal consists in the misapplication of the rule of interdependence. Vedral explains that, if the Court of Justice considered that the Court of First Instance observed a certain similarity, at least phonetic, between the signs, it should require it to regard that slight similarity as offset by the identity between the products and the strong distinctive character of the earlier mark, and to find that there was a likelihood of confusion.

63. This part of the plea is manifestly unfounded, since it starts from a false assumption, because the Court of First Instance never found the alleged phonetic similarity between the signs. Quite the contrary, it stated that those signs cannot be regarded as identical or similar (paragraph 65), a point which the appellant does not challenge. Consequently, this claim must be rejected.

64. Finally, Vedral complains that paragraph 62 of the judgment under appeal infringes the concept of likelihood of confusion by taking the relevant public to be those consumers likely to purchase the products identified and not all persons who might notice the mark.”

However, I have still constantly born in mind the following factors:

- the distinctiveness of the earlier trade mark – which enjoys a good deal of distinctiveness in the financial sphere through reputation ;
- the degree of similarity between the trade marks;
- the identity of the services;
- the nature of the services and the subsequent purchasing decision;
- the average consumer for the goods involved;
- that trade marks are seldom compared directly and the potential purchaser may be prey to imperfect recollection.

Mr Ganatra has commented upon the absence of confusion in practice. This has not affected my decision. Millet LJ in *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283 and Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 both noted that in relation to a likelihood of confusion an absence of actual confusion says little as various other factors could come into play.

**103) The objection under section 5(2)(b) of the Act is dismissed.
Section 5(3) objection**

104) At the time of the filing of the opposition Section 5(3) of the Act read:

“(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

105) In *Mango Sport System SRL Socio Unico Mangone Antonio Vincenzo v Diknah SL*

(Case R 308/2003-1) [2005] ETMR 5, the First Board of Appeal gave a very helpful summary of the factors that are to be considered in relation to section 5(3) of the Act:

“13 The infringements referred to in that article, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them. The protection conferred thereby is not conditional on a finding of a degree of similarity between the mark with a reputation and the sign such that there exists a likelihood of confusion between them on the part of the relevant section of the public. It is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark (see, to that effect, *ADIDAS*, at [29] and [30] and Case C-375/97 *General Motors* [1999] E.C.R. I-5421, at [23]).

14 The existence of such a link must, just like a likelihood of confusion, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, *ADIDAS*, at [30]).

15 The condition of similarity between the mark and the sign, referred to in the above article, requires the existence, in particular, of elements of visual, aural or conceptual similarity (see, to that effect, judgment of the Court of 23 October 2003 *Adidas Salomon AG and Adidas Benelux BV v Fitnessworld Training Ltd* in Case R C-408/01 "*ADIDAS*", at [28]).

16 A knowledge threshold is implied in the above provision as regards both the public concerned and the territory concerned. The degree of knowledge must be considered when the earlier mark is known by a significant part of the public concerned, either the public at large or a more specialised public depending on the product or service marketed and covered by that mark. Territorially, the knowledge condition is fulfilled where the trade mark has reputation in a substantial part of the territory of the Member State in question (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 *General Motors Corp v Yplon SA* ("*Chevy*") [1999] E.C.R. I-5421, at [22] to [28]).

17 If the condition as to the existence of reputation is fulfilled as regards both the public concerned and the territory in question, it must next be examined

whether use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

18 The requirements of the latter condition are not cumulative. It is sufficient that the mark applied for would either take unfair advantage of the distinctive character or the repute of the earlier trade mark, or that the mark applied for would be detrimental to the distinctive character or the repute of the earlier trade mark.

19 As to unfair advantage, which is in issue here since that was the condition for the rejection of the mark applied for, that is taken when another undertaking exploits the distinctive character or repute of the earlier mark to the benefit of its own marketing efforts. In that situation that undertaking effectively uses the renowned mark as a vehicle for generating consumer interest in its own products. The advantage for the third party arises in the substantial saving on investment in promotion and publicity for its own goods, since it is able to "free ride" on that already undertaken by the earlier reputed mark. It is unfair since the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question (see, to that effect, decisions of the First Board of Appeal of 8 February 2002 in Case R 472/2001-1-- BIBA/BIBA (fig. MARK), First Board of 20 October 2003 in Case 2003-R 1004/2000-1-- KINDERCARE (fig. MARK)/kinder et al., at [26], and of the Fourth Board of Appeal of 26 July 2001 in Case R 552/2000-4 COSMOPOLITAN COSMETICS/COSMOPOLITAN).

20 In that regard, it should be observed that the stronger the earlier mark's distinctive character and reputation the easier it will be to accept that unfair advantage has been taken or detriment has been caused (see, to that effect, judgment of the Court of 14 September 1999 in Case C-375/97 General Motors Corp v Yplon SA ("Chevy") [1999] E.C.R. I-5421, at [30]).

21 Furthermore, the closer the similarity between the marks the greater is the risk that unfair advantage will be taken. An identity or a very high degree of similarity is a factor of particular importance in establishing if an unfair advantage will be taken (see KINDERCARE (fig. MARK)/kinder et al., and Decision of the Second Board of Appeal of 8 November 2001 in Case R 303/2000-2-- Magefesa (fig. MARK)/ Magefesa (fig. MARK), at [21] and [23]).

22 The greater the proximity between the goods and the circumstances in which they are marketed, the greater the risk that the public in question will make a link between the mark and the sign in question. The existence of the similarity of the goods may be taken into account to the extent that the greater the similarity between the goods in question, the greater the risk that unfair advantage will be taken of the earlier mark (see decision of the Third Board of 25 April 2001 in Case R 283/1999-3 HOLLYWOOD/HOLLYWOOD)."

106) Since the filing of the opposition the Act has been amended to reflect the findings of the ECJ that the protection under section 5(3) also applies to identical and similar goods or services. (See *The Trade Marks (Proof of Use, etc) Regulations 2004*, *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* C-292/00 [2003] ETMR 42 and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* C-408/01 [2004] ETMR 10.) The statement of grounds of Corp are drafted in such a way that they encompass both similar and dissimilar services. Consequently, any identity or similarity of services is not an impediment to Corp.

107) I have already decided that CITIBANK enjoys a *Chevy* registration. However, section 5(3) of the Act is dependent upon the similarity of the trade marks. I have decided that the trade marks are not similar in relation to section 5(2)(b), the same analysis as to similarity applies here. Owing to the absence of similarity no "link" will be made, neither will there be any effect on the effect of the relevant public's economic behaviour (see *Electrocoin Automatics Limited v Coinworld Limited and others* [2005] FSR 7). **The ground of opposition under section 5(3) must, consequently, be dismissed.**

108) In *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 Neuberger J dealt with the issue of "without due cause":

"Secondly, although I accept that the words "being without due cause" are somewhat opaque in their effect, I consider that they have to be read as not merely governing the words "the use of the sign", but also as governing the words "takes unfair advantage of, or is detrimental to". Section 10(3) must be read in a commercially sensible way. Bearing in mind its overall purpose, it appears to me that (without at this stage intending to indicate where the burden of proof lies) it requires the defendant to show not merely that the use of the allegedly infringing sign in connection with the defendant's goods is "with due cause"; it also requires him to show that although the use of the sign might otherwise be said to "take unfair advantage of or is detrimental to" the mark, the advantage or detriment are not "without due cause".

Thirdly, it appears to me that this conclusion is consistent with the view of the Benelux Court in *Lucas Bols* [1976] I.I.C. 420 at 425, where, when discussing the meaning of "without justifiable reason" which appeared in a similar context in the Uniform Benelux Trade Mark Act as "without due cause" in section 10(3), the Court said this:

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

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

In my judgment, those observations represent the approach which should be adopted to the words "being without due cause" in section 10(3), although it is fair to say that two criticisms can be made of this conclusion. The first criticism raises a practical problem, in the sense that this construction could be said to produce a degree of uncertainty; the second point which may be made is that, on this construction, it is not entirely to see what function the words "being without due cause" actually have. So far as the practical problem is concerned, I do not consider that it has a great deal of weight. Most cases of alleged trade mark infringement turn on their own particular facts; further, the protection potentially accorded to a trade mark proprietor by section 10(3) can be pretty wide. It does not therefore seem to me inappropriate that the tribunal considering the question of infringement under this provision is accorded some degree of flexibility as to how the provision is to be enforced. It should be made clear that I am certainly not suggesting that the court has some sort of roving commission or wide discretion; the observations I have quoted from Lucas Bols are quite clear on that point.

So far as the second criticism of my conclusion is concerned, it is fair to say that it is not easy to see how the use of a sign could take "*unfair* advantage" of a registered mark and yet be *not* "without due cause". In my judgment, however, there are two answers to that point. First, it is conceivable that, in certain circumstances, the court might conclude that, notwithstanding the fact that the alleged infringer's use of a sign took "unfair advantage" of a mark, this was outweighed by the use being with "due cause", within the limited meaning of that expression as explained in Lucas Bols [1976] 7 I.I.C. 420. Secondly, the words "being without due cause" apply not only to a case of alleged unfair advantage, but also to a case where the use of the sign is allegedly "detrimental" to the mark: there is no difficulty in envisaging circumstances where a "detrimental" use could not be "without due cause" within the sense I have suggested.

Having come to this conclusion as to the meaning and effect of the words "being without due cause" in section 10(3), it appears clear to me that those words do not assist TEL in the present case. Its use of the TYPHOON sign in relation to its kitchenware started little more than a year ago, and only a very short time before these proceedings were begun by Premier. Indeed, TEL did not wait to see if its application to register the TYPHOON sign was challenged by anyone before it launched its kitchenware under that sign. Premier's TY.PHOO mark has been in substantial commercial use for nearly a century, and has been on the register for over 70 years; it is a very well known, and plainly a very valuable, mark. In these circumstances, I have no real hesitation in reaching the conclusion that, if Premier can otherwise succeed in its claim for infringement under section 10(3), TEL obtain no assistance from the words "being without due cause" in that section. The conclusions I have reached on the facts of this case, whether Premier's analysis of the law is correct (as I believe to be the case) or if TEL's analysis is correct, are reached irrespective of where the onus of proof lies. However, it is right to record that in my view on either analysis the onus of proof would rest on TEL. I cannot pretend that the point is straightforward, because there is obvious force in Mr Bloch's

contention that, where a proprietor of a trade mark alleges infringement under a particular statutory provision, it is up to him to establish each of the prescribed statutory ingredients necessary to establish infringement. However, as I see it, the words "being without due cause" although not plainly expressed as such, really represent a proviso or exception to the generality of section 10(3). In those circumstances, if an alleged infringer, such as TEL, wishes to rely on those words, it is up to it to establish that it falls within the exception, rather than up to a proprietor of the mark to establish that the proviso does not apply. It is fair to say that this is a conclusion I would have reached even if I had held that TEL's analysis was correct. It follows that Premier will succeed in establishing infringement under section 10(3) provided that it can show that TEL's use of the TYPHOON sign "takes unfair advantage of" and/or "is detrimental to" "the distinctive character or repute of the [TY.PHOO] mark". Premier's case is now based solely on detriment, as Mr Arnold (rightly I think) abandoned what was always Premier's secondary argument based on unfair advantage."

109) Holdings has been using CITYBOND since 1985 for travel insurance and travel bonding. I consider that the nature and extent of the use means that it is entitled to use the trade mark in relation to such services and it should not yield its right to Corp. So even if Corp succeeded in all other aspects of its section 5(3) case I consider that Holdings would have due cause to use its trade mark in relation to travel insurance and travel bonding. So, Corp's case would fail under section 5(3) in relation to *travel insurance services* and *travel bonding*.

Passing-off – section 5(4)(a) of the Act

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

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

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

111) 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:

"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 *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 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 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."

.....Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."''

112) The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto*

(UK) *Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1988 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

So the material date cannot be after the date of the application. In this case I consider that there are two material dates. In relation to *travel insurance services* and *travel bonding* I consider that the material date is sometime in 1985, when the behaviour complained of started. In relation to the other services it is the date of application, 7 October 1999.

113) There is no doubt that Corp has the necessary goodwill at the date of application. Its claim to a family of trade marks will also stand here, but will also include CITIWEB. **However, the absence of similarity of the trade marks means that there will not be confusion or deception and so the grounds of opposition must fail under this head also.**

114) In relation to *travel insurance services* and *travel bonding*, regardless of other factors, Corp could not succeed in its claim. Holdings has been using the trade mark for too long in relation to such services. In the United Kingdom in relation to such services Corp is very much a late entrant upon the scene. It has not established that it had a goodwill in the United Kingdom in 1985 and so seniority in title will rest with Holdings (see *Croom's Trade Mark Application* [2005] RPC2). Even if this was not the case in relation to such services it is too late, in my view, for Corp to complain. This is an issue dealt with by Pumfrey J in *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42:

“67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser (Anheuser-Busch v. Budejovicky Budvar* [1984] F.S.R. 413 at 462):

“The plaintiffs' primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs', so as to establish a reputation for himself.”

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd* [1981] R.P.C. 429 at 494: the relevant date in law is the date of the

commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced.”

The specification

115) Mr Mellor submitted that the specification includes an exclusion which falls foul of the judgment of the ECJ in *Koninklijke KPN Nederland NV v Benelux Merkenbureau* Case C-363/99 [2004] ETMR 57. There is no ground of opposition on this basis. If Corp wished to run this as a ground, it should have requested an amendment to its grounds. As this was not a ground, it is not something of which I am prepared to take any cognisance.

COSTS

116) Citybond Holdings Plc having been successful is entitled to a contribution towards its costs. I order Citibank NA and Citicorp to pay Citybond Holdings Plc the sum of £3000. 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 18th day of May 2005

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