

O-149-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2464936
BY BOUYGUES CONSTRUCTION TO REGISTER THE
TRADE MARK "BLUE FLAG" IN CLASSES 36, 37 AND 42**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 98173 BY BLUE FLAG LIMITED**

BACKGROUND

1. On 22 August 2007, Bouygues Construction (Bouygues) applied to register the trade mark **BLUE FLAG** for a range of services in classes 36, 37 and 42.

2. Following examination the specifications were amended to read:

Class 36: Insurance; financial affairs relating to real estate affairs, construction, architectural and engineering services; monetary affairs relating to real estate affairs, construction, architectural and engineering services; real estate affairs; real estate appraisal; real estate management; financing services; real estate agencies; renting of flats and offices; financing of real estate projects, restoration of real estates, and of development of land assets; purchase and sale of real estates, including associated chattels, fixtures and fittings; financial transactions for the realization of real estate; economic services relating to the operation of building construction; economic services relating to the operation of building construction.

Class 37: Construction of permanent buildings, buildings, roads and bridges; information as regards construction; supervision (direction) of building works; work of painting, plaster works, plumbing and roof covering; services of sealing (construction); demolition of constructions; rental of construction equipment; cleaning of premises (interior), of buildings (external surfaces) or windows; scaffolding; installation services (building and construction); installation of construction equipment, including scaffoldings; maintenance and repair of edifices and buildings; project management services with respect to building and building works; building supervision services, namely, supervision (direction) of building works; construction services for real estate projects; construction advice; advice services for the construction and the organisation of building site operations within the framework of sustained development aid.

Class 42: Engineering and design services, namely services of design and technical studies in connection with operations of construction; evaluations, appraisals, research and reports in the scientific and technological fields namely surveying, industrial analysis and research, namely evaluation services, provision of estimates, and research in the engineering field; design and development of computers and computer software; technical projects studies; architecture; design of interior décor; construction drafting; financial studies (namely project management of costs and expenses) in connection with construction operations; architectural and technical services relating to the operation of building construction.

3. The application was then accepted and published for opposition purposes on 1 August 2008 in Trade Marks Journal No.6746.

4. On 17 October 2008, Bouygues professional representatives, Kilburn & Strode, filed a Form TM21 to amend the specification in class 36 to read:

Financial affairs and financing services all relating to real estate affairs, construction, architectural and engineering services; monetary affairs relating to real estate affairs, construction, architectural and engineering services; real estate affairs; real estate appraisal; real estate management; real estate agencies; renting of flats and offices; financing of real estate projects, restoration of real estates, and of development of land assets; purchase and sale of real estates, including associated chattels, fixtures and fittings; financial transactions for the realization of real estate; economic services relating to the operation of building construction; none of the foregoing to include advisory or information services relating to regulation of financial markets and financial affairs.

5. On 31 October 2008, Blue Flag Limited (Blue) filed a notice of opposition. This consists of a single ground based upon section 5(4)(a) of the Trade Marks Act 1994 (as amended) (the Act). In their Statement of Grounds Blue say, inter alia:

“[Blue] is a major installer of renewable energy products and has continuously been installing heating and insulation in the North of England since its incorporation on 12 May 1993. [Blue] has been a partner with government schemes for installing heating and insulation in many other parts of the UK, and is now recognised and respected nationally. [Blue] is a major supplier of heating and insulation systems and services to the house building sector as well as domestic customers. [Blue] currently employs 170 staff and the number is increasing.

Without limitation, [Blue] has used the mark BLUE FLAG in relation to the following services:

Financial services relating to the building industry, particularly the provision of consumer credit and assistance with grants and finance.

Building construction services, particularly the installation, supervision maintenance and repair of heating systems, insulation systems, and renewable energy systems. [Blue] is certified to supply, design, install and commission solar PV, solar thermal, heat pump systems, micro and small wind systems. In addition, [Blue] is active in the construction of new buildings using a patented building method as described in their United Kingdom Patent...

Miscellaneous services relating to building construction, namely design of buildings and systems, technical studies, preparing evaluations, financial estimates, appraisals and reports.”

I note that the opposition is directed against all of the services in the application.

6. On 9 January 2009, Bouygues filed a further TM21 to amend their specifications of services to read:

Class 36: Real estate affairs; real estate appraisal; real estate management; real estate agencies; restoration of real estates, and of development of land assets; none of the foregoing to include advisory or information services relating to regulation of financial markets and financial affairs.

Class 37: Information as regards construction; supervision (direction) of building works; rental of construction equipment, namely testing and surveying equipment to check quality and environmental impact and/or rating; project management services with respect to building and building works; building supervision services, namely, supervision (direction) of building works; construction advice in relation to the quality and environment impact and/or of building work (including assessing the materials, fixtures, fittings used), and awarding company approval or rating where appropriate; advice services for the construction and the organisation of building site operations within the framework of sustained development aid.

Class 42: Engineering and design services, namely services of design and technical studies in connection with operations of construction; evaluations, appraisals, research and reports in the scientific and technological fields namely surveying, industrial analysis and research, namely evaluation services, provision of estimates, and research in the engineering field; design and development of computers and computer software relating to testing the quality and environment impact and/or rating of building work (including assessing the materials, fixtures, fittings used); technical projects studies relating to testing the quality and environmental impact and/or rating of building work (including assessing the materials, fixtures, fittings used).

7. On 12 January 2009, Bouygues filed a counterstatement which in essence denies the ground of opposition and puts Blue to proof.

8. Both parties filed evidence; neither party asked to be heard. Both parties filed written submissions which I will refer to as necessary below. After careful consideration of all the material before me, I give this decision.

EVIDENCE

Blue's evidence-in-chief

9. This consists of a witness statement, dated 17 April, 2009, from Stuart Robertshaw, Blue's Managing Director. Mr Robertshaw explains that he has been associated with Blue since its incorporation in May 1993. He confirms that he is authorised to speak on Blue's behalf, adding that the information in his statement comes from either his own knowledge or company records.

10. Mr Robertshaw states that Blue is a major national installer of insulation materials, a supplier of renewable energy systems and a leader in the construction of energy-efficient new build properties. Blue was, he explains, set up in 1993 to take advantage of the energy efficient measures available on the Government funded Home Energy Efficiency Scheme. Blue has, he says, grown to provide a wide range of insulation services and renewable energy systems throughout many sectors of the construction industry. Mr Robertshaw states that in more recent years Blue has expanded into the construction of energy-efficient buildings referred to by them as "eco housing". Such housing is, he explains, built in accordance with the principles of sustainable development and is a fast developing industry both for individual properties and larger projects.

11. Mr Robertshaw explains that Blue have embarked upon a unique Eco Cottage recycling programme and have patented an off-site construction system to provide zero carbon housing. He adds that these "green" buildings eliminate most of the environmental problems encountered with conventional building materials and methods. He states that despite the economic downturn Blue continues to expand and currently employs 170 staff. Blue is, he explains, certified to supply, design, install and commission solar photovoltaic, solar thermal, heat pump systems, and micro and small wind systems. Exhibit SHR1 is described by Mr Robertshaw as:

"a bundle of documents which demonstrate that [Blue] is an innovative company which conforms to the highest industry standards."

This exhibit consists of the following (where the numbers shown below correspond to the page number of the document concerned):

(2) A copy of a Certificate of Grant of Patent dated 24 September 2008 (and associated pages 3-24) for an invention entitled "Building system" which was disclosed in an application filed on 17 January 2005 and in which the proprietor is identified as Blue Flag Limited. I note that page 13 includes, inter alia, the following text:

"This invention relates to a system for constructing buildings, in particular to a system for constructing homes from prefabricated units."

(25) A copy of a certificate issued by the Energy Institute in January 2007 which indicates that Blue Flag Ltd was elected to the grade of Company Member of the above institute;

(26) A copy of what appears to be an undated certificate issued by HVCA which indicates that BLUE FLAG is licensed to deliver the HVCA course "Managing M&F Safety";

(27) A copy of a certificate issued by the National Federation of Builders for the 12 month period commencing 1 January 2009 which certifies that Blueflag Ltd is a member of the Federation;

(28) A copy of a certificate issued by BBA BRITISH BOARD OF AGREEMENT dated 1 September 2008 which confirms that Blueflag Ltd has been accepted as an Approved Installer for injected cavity wall insulation products;

(29) A copy of a certificate dated 2005/2006 issued by TRUST MARK "Registered through HVCA" (the Heating and Ventilating Contractors' Association) which indicates that Blue Flag Ltd is a Trustmark registered trader;

(30) A copy of a Tax Clearance Certificate issue to BLUE FLAG LTD and dated 23 January 2007;

(31) A copy of a certificate issued to Blue Flag Ltd by constructionline (who describe themselves as the UK register of pre-qualified construction services) which expires in June 2009 and which indicates that Blue has met pre-qualification requirements appropriate to public and private sector procurement;

(32) A copy of a Certificate of Excellence issued by e-on Energy to Blueflag on 21 September 2006 for outstanding performance in health and safety;

(33) A copy of a letter dated 14 December 2006 from Patricia Rojas of the energy saving trust to Mr Robertshaw at Blue Flag Ltd indicating that Blue's application to become an EST Accredited Organisation has been accepted for ASHP on a provisional basis;

(34-37) A copy of Blue Flag Ltd's entry in the Data Protection Register. I note the date registered is 26 November 2007;

(38) A copy of a trade mark registration certificate in the name of Blue Flag Limited in relation to the trade mark BLUE FLAG in classes 36, 37 and 42 which was applied for on 17 November 2007 i.e. after the date of Bouygues' application for registration;

(39) A copy of a Standard Licence issued by the Office of Fair Trading to Blue Flag Limited which allows them to carry out consumer credit business as from 18 February 2008;

(40) A copy of a Goods Vehicle Operator's Licence issued to Blue Flag Limited which came into force on 16 May 2008;

(41) A copy of a Registration Certificate issued by Corgi Gas to Blue Flag Limited which is valid until 31 March 2009 which indicates that Blue is enrolled on the CORGI Register of Gas Installers;

(42) A copy of a certificate of registration under the control of pollution (amendment) Act 1989 issued by the Environment Agency to Blue Flag Ltd on 20 January 2009;

(43) A copy of a certificate of business registration issued on 22 April 2008 by OFTEC (the Oil Firing Technical Association) to Blue Flag Ltd which indicates that Blue has technicians registered in the following categories: Domestic/Light Commercial Service & Commissioning – Pressure Jet, Domestic Oil Firing System Installation and Domestic & Non-Domestic Oil Tank Installation;

(44) A copy of a registration certificate (valid until 11 May 2009) issued by HETAS to Blue Flag Ltd which indicates that Blue has been entered on the list of Solid Fuel Registered Companies and is entitled to carry out work in the following categories: Installation of appliances and hot water systems, installation of dry appliances, service and maintenance of appliances;

(45) A copy of an appendix prepared by BDO Stoy Hayward LLP (Chartered Accountants) dated 17 September 2004 entitled "Accountants' statement to the directors of Blue Flag Housing Limited" and which refers to the period ending 31 March 2004.

12. Mr Robertshaw states that the name BLUE FLAG has been "comprised in the name of the company since its formation.." He adds that the name has been used continuously since that time in association with every service which Blue provides. He explains that Blue regard the name BLUE FLAG as their house mark and it appears in virtually every document which they produce across all sectors of their business. Exhibit SHR2 is, he explains:

"a bundle of documents demonstrating use of the Blue Flag mark in association with a small representative selection of these projects."

This exhibit consists of the following (where the numbers shown below correspond to the page number of the document concerned):

- (2) A copy of a letter dated 3 June 2004 from Mr Robertshaw to Mr Gerard Lenahan of GWL Advisory Group at an address in County Clare, Ireland. The letter refers to supply of, inter alia, the Blue Flag Housing System in Ireland, Murcia and Alicante;
- (3) A copy of architectural drawings created by JSM Designs Limited of Leeds in August 2003 for BLUE FLAG HOUSING for what is described as "Foundation Details" for "BLUE FLAG SINGLE STOREY HOUSING";
- (4) A copy of architectural drawings created by Watson Batty Architects Ltd of Leeds in February 2004 for BLUE FLAG HOUSING for what is described as a "3 bedroomed 5 person terrace unit";
- (5) A copy of a letter dated 21 January 2009 from Mr Robertshaw to Brendan McCrea of Warmfill Limited, County Down. The letter discusses "Eco Panel Development";
- (6) A copy of an e-mail dated 23 July 2003 from Richard Kennedy of Blue Flag Housing Ltd to Mr Robertshaw entitled "Time Scales/Planning/Check List";
- (7) A copy of a letter dated 25 July 2003 from Eleanor Vernon of compriband, Tyne & Wear to Mr S Robertson of Blue Flag Limited regarding sealant products;
- (8) A copy of a drawing in relation to Burhill Kennels in Hersham the relevance of which is unclear;
- (9) A House Type Approval Certificate dated 19 December 2003 issued by the City of Bradford Metropolitan District Council in relation to a 2 bedroom bungalow. I note that Blue Flag Ltd is identified as the Certificate holder;
- (10) A copy of architectural drawings created by Watson Batty Architects of Leeds in May 2004 for BLUE FLAG HOUSING for what is described as "Configuration of single and duplex lifestyle units";
- (11-18) A copy of a paper by Professor A Steele and Dr S Todd of the University of Salford entitled "New Developments for Key Worker Housing for the UK." Whilst the date of this paper is not immediately apparent, I note that on page 5 of the document under the heading Case Study, there is a reference to a two bedroomed bungalow which has been developed by "Blue Flag Housing (Renewable Energy Division)(2003)..";
- (19-20) A copy of a photograph of a two bedroom bungalow and architectural drawings for the same property created by Watson & Batty Architects Ltd of Leeds in June 2003 for BLUE FLAG HOUSING LTD;

(21) A copy of architectural drawings created by Watson Batty Architects of Leeds in May 2004 for BLUE FLAG HOUSING LTD for what is described as “Spanish villa with 3 No. lifestyle units”;

(22) A copy of an e-mail dated 27 July 2004 from Dr Sue Halliwell, Principal Consultant, Centre for Composites in Construction, BRE to (it appears) Mr Robertshaw entitled “DTI housing bid”. As far as I can tell, the e-mail does not contain any reference to BLUE FLAG;

(23-24) A copy of an exchange of e-mails from 8 July to 29 July 2003 between Mr Robertshaw and Kristian Steele of BRE in relation to “Blue Flag House”;

(25) A copy of a letter dated 2 December 2008 from Mr Robertshaw to Mr C Godsell of Asset Finance & Management Ltd in relation to “Renewable Energy Finance”. The letter relates to a budget proposal for four clients named as: Carlisle Housing Association, Barrow in Furness Borough Council, Cubby Construction Ltd and the University of Cumbria;

(26) A copy of what appears to be an undated Equipment Formal Visual and Combined Inspection and Test Record in relation to a Makita drill, the relevance of which is unclear.

13. Mr Robertshaw states that during the past six years turnover in services provided under the Blue Flag name has been as follows:

Year	Total Turnover (£)
To 31/3/02	7,408,524
To 31/3/03	4,116,042
To 31/3/04	3,294,408
To 31/3/05	4,380,915
To 31/3/06	2,838,794
18 months to 31/9/07	6,831, 846

14. He goes on to say that Blue advertise their services to the construction industry and the general public by way of advertisements in relevant magazines and journals, and through distribution of leaflets and advertising material. Exhibit SHR 3 is said to consist of:

“a bundle of documents constituting a representative selection of advertising material promoting our services under the Blue Flag trade mark”.

This exhibit consists of the following (where the numbers shown below correspond to the page number of the document concerned):

(2) A copy of a facsimile message dated 12 August 2003 from the National Federation of Builders to Mr Robertshaw at Blueflag inviting him to advertise in the National Federation of Builders Directory for 2004;

(3-4) A copy of what appears to be an undated two page leaflet for Warmstone™ which is described as: “The Architecturally Designed Insulation Render System.” The words blueflag and a device and the words Blue Flag Limited appear at the bottom of the second page;

(5 (a) & (b)) What appears to be an undated leaflet in relation to external insulation for park homes. As well as bearing the words blueflag and a device, the leaflet contains the words Blue Flag in the body of the text as well as the following: admin@blue-flag.co.uk and www.blue-flag.co.uk;

(6-8) The front page of Park & Holiday Homes magazine from March 2009, together with a further copy of the leaflet mentioned at (5) above;

(9) What appears to be an undated leaflet in relation to cavity wall and loft insulation;

(10) A copy of a voucher from June 2008 in which a person who has had work carried out for them by Blue can recommend a friend and (in due course) claim a £15 reward. The voucher is addressed to BLUE FLAG LTD;

(11 (a) – (h)) – what appears to be an undated brochure produced by Blue entitled Renewable Energy in relation to: Solar/Photovoltaic, Wind Turbines, Ground/Air Source Heat Pumps, Bio-Mass Stoves, Energy Efficient Central Heating and Rainwater Harvesting;

(12) A copy of what appears to be an undated leaflet describing Blue’s products and services namely: Cavity Wall Insulation, Loft Insulation, Room in the Roof, Under Floor Insulation, Timber Frame Insulation, External Wall Insulation, Internal Wall Insulation, Additional Measures i.e. solar heating, central heating systems, electric storage heaters, wind turbines, heat pumps, high efficiency boilers and high efficiency heat recovery units and finally Technical Expertise/Services i.e. energy performance certificates for new homes, working with NHER to produce SAP ratings/calculations for carbon emissions and savings and HIPS advice and certification;

(13) A copy of what appears to be an undated leaflet similar to that at (9) above;

(14) A copy of a voucher from June 2008 similar to that at (10) above;

(15-16) A copy of what appears to be an undated two page leaflet for Warmfill™ cavity wall insulation which is described as a: “Blue Flag Premium Product”;

(17) A copy of an advertising feature entitled “Environment Matters” which appeared in the Yorkshire Post on 28 February 2009 and which contains an advertisement for Blue and the services they provide;

(18) A copy of an advertisement for Blue's services which it is said appeared in the Yorkshire Post on 3 June 2006. I note that Blue Flag Ltd and admin@blue-flag.co.uk are mentioned in the advertisement;

(19) A copy of a notice which appeared in the Evening Courier on 3 July 2008 and in which I note Blue Flag Ltd want to fill the post of "Grant/Sales Canvasser";

(20) A copy of what appears to be an undated notice which appeared in Issue 28 of the Yorkshire County Gazette and in which Blue Flag Ltd want to fill Solar Panel and Wind Turbine Installers and Office Administrators posts;

(21) A copy of what appears to be an undated advertisement which is said to have appeared in the Halifax Courier which refers to Blue's services;

(22) A copy of a notice dated 17 October 2007 which appeared in the Classifieds section of Bradford's www.telegraphandargus.co.uk and in which I note Blue Flag Ltd want to fill the posts of Operations Manager and Business Development Manager;

(23) A copy of a notice which is said to have appeared in the Munster Express on 27 April 2007 and which advertises for a number of posts at Blue Flag Ltd.

15. Mr Robertshaw states that company records indicate that over the past five and a half years Blue have issued 6,810 advertisements and spent the following sums on advertising:

Year	Total advertising expenditure (£)
To 31/3/03	17,747
To 31/3/04	3,602
To 31/3/05	908
To 31/3/06	3,962
18 months to 31/9/07	21,256

16. Mr Robertshaw explains that during most of the projects in which Blue are involved, their surveyors, engineers, electricians and inspectors make use of a personal PDA which contains the Blue Flag Management Process software, screen shots from which (bearing the text "Copyright © Blue Flag – Controlled Document – June 2008") are provided as exhibit SHR4. He adds that Blue have provided services in most geographical areas of the UK. Exhibit SHR5 consists of a printout dated 19 March 2009 in which a list of postcode areas in which services provided under the name Blue Flag are identified. I do not propose to list all of these here, but note that services have been provided in a range of locations in England, Wales and Scotland. However, as far as I can tell, no post codes in Northern Ireland have been identified.

17. Finally, Mr Robertshaw turns his attention to the application for registration and what he considers to be the similarity in the respective parties' services and the potential consequences for Blue should Bouygues' application be allowed to proceed to registration. As these are submissions rather than evidence of fact it is neither necessary or appropriate for me to summarise them here; I will of course keep them in mind when reaching a decision.

Bouygues' evidence-in-chief/written submissions

18. This consists of three witness statements accompanied by written submissions. The first witness statement, dated 21 July 2009, is from Sharon Kirby who is a trade attorney at Kilburn & Strobe. Ms Kirby explains that the information in her statement comes from, inter alia, her own knowledge of papers supplied to her by Bouygues' representatives in France and from the results of a search conducted by a professional investigator.

19. The main points emerging from Ms Kirby's statement are, in my view, that the results of investigations (provided as exhibit SK1) and which comprise copies of pages taken from Blue's website www.blueflag.co.uk on 25 July 2008, from the Corgi website www.trustcorgi.com on 20 July 2009 and from Yell.com on 18 November 2008, when taken together all appear to suggest that at that time the main emphasis of Blue's trade was in relation to gas heating and installation services. She adds that although there were references on Blue's web page to installation of insulation and related services, there were no references to general building services, nor to any type of environmental impact or assessment services.

20. Ms Kirby notes by reference to exhibit SK2 which consists of pages taken from Bouygues website www.bouygues.com and www.bouygues-uk.com on 20 July 2009, that Bouygues is described as: "a world leader in building, civil works and electrical contracting/maintenance." She also points to the reference to Bouygues being "committed to responsible, sustainable construction to ensure minimal environmental impact", adding that she understands that Bouygues principle use of their BLUE FLAG service mark will be in relation to an evaluation service used in relation to building and engineering works in the context of their developments. It will, she further explains, be used by them to indicate to the consumer that a site had been assessed and evaluated, and that various works had been carried out to a particular environmental and ecological standard set by them.

21. In response to the turnover figures mentioned by Mr Robertshaw (in particular the turnover figure for the year to 31 March 2002 which is listed as £7,408,524), Ms Kirby notes that according to the records of Companies House (extracts of which are provided as exhibit SK3), the company mentioned by Mr Robertshaw in his statement (i.e. company registration No: 02817155) was dormant until 2002. Ms Kirby notes that a Special Resolution of Blue Flag Limited dated 4 September 1995 reads:

"The company, having been dormant since its formation and no accounts having been laid before it in General Meeting resolves to make itself exempt from the

obligation to appoint Auditors as otherwise required by Section 384 of the Companies Act 1985.”

22. She also notes that similar provisions applied for the years 1996-2002. Of this she says:

“...it would seem counter-intuitive that a company described as “dormant” should claim a turnover in excess of £7 million.”

23. The second witness statement, dated 12 August 2009, also comes from Ms Kirby. Exhibit SK1 to her statement consists of a page downloaded on 21 July 2009 from the website of the Department for Environment, Food and Rural Affairs at www.defra.gov.uk. Ms Kirby notes that under the heading “Management of the Warm Front Scheme” it says, inter alia:

“The scheme was launched in June 2000 (and was initially known as the Home Energy Efficiency Scheme).”

24. The third witness statement, dated 21 September 2009, is from Ange-Francois Fantauzzi who is the Head of the Legal Department at Bouygues (UK) Limited, an indirect subsidiary of Bouygues. Mr Fantauzzi explains that he has been employed in the legal department of various Bouygues’ Construction companies for eleven years. He confirms that he is authorised to speak on his company’s behalf, adding that the information in his statement comes from his own knowledge or from company records. The main points emerging from his statement are in my view:

- That Bouygues have applied to register trade marks equivalent to the English words Blue Flag in a range of countries including France, Poland, Benelux, Spain, Switzerland and Germany;
- That Bouygues are using the equivalent trade mark in France in the context of their building sites and developments to show, inter alia, that the construction and running of a site has taken account of ecological and sustained development considerations;
- That Bouygues wish to “roll out” the trade mark in the UK, in order that it becomes a standard for the Group;
- That the combination of the results of the investigator’s report and the documents obtained from Companies House, call “into question” the turnover figures provided by Mr Robertshaw in his statement;
- That even if Blue are able to show use in the UK in the relevant time frame, Bouygues’ investigations show that Blue specialise mainly in gas fitting services and more recently insulation services;

- That Bouygues' investigations also concluded that the services offered by Blue appear to have been offered in only a limited geographical area in the North of England;
- That even if it is shown that Blue's services were offered on a non-negligible scale for several years prior to the filing of Bouygues' application for registration, there would be no misrepresentation and no damage as Bouygues are not holding themselves out as supplying Blue's services.

25. As I mentioned above Bouygues also filed written submissions at this stage of the proceedings. I will not summarise these submissions here, but will refer to them as necessary later in this decision.

Blue's evidence-in-reply/written submissions

26. This consists of two witness statements accompanied by written submissions dated 18 November 2009. Insofar as the written submissions are concerned I will refer to these as necessary later in this decision.

27. The first witness statement, dated 18 November 2009, is from Stephen Craske who is a Chartered Patent Attorney practising as Craske & Co, Blue's professional representative in these proceedings. Mr Craske confirms that the information in his statement comes from his own knowledge. The purpose of Mr Craske's statement is to explain the series of events which led to Blue's trade mark application (now registration) being filed for essentially the same range of services specified in Bouygues' application for registration. Attached to his statement at Exhibit SAC1 are a series of e-mails between Mr Craske and Mr Robertshaw dated 5, 6, 7 and 24 September and 7 November 2007. Mr Craske concludes his statement in the following terms:

“8. I am not sure precisely what point [Bouygues] are trying to make about the similarity in the wording, but to my knowledge there was no intent of dishonesty or deception.”

28. The second and final witness statement, dated 30 November 2009, is from the same Stuart Robertshaw mentioned above. A good deal of this statement consists of submissions rather than evidence of fact. However, to put the issues into context I have summarised below both the evidence provided by Mr Robertshaw and what I consider to be the more important submissions:

- That in a historical context it is broadly correct to say that Blue were primarily gas fitters;
- That Blue have expanded to provide a wide range of activities relating to energy usage and conservation within the construction industry;

- That although Blue are based in the North of England they operate on a national basis;
- That he regards Blue Flag as a single business;
- That between 1993 and 2002 the business was operated under three individual trading companies i.e. L&W Insulation Limited, Energy Efficiency Centre Limited and Home Energy Efficiency Limited. Initially L&W was the trading company, but this was joined by EEC and HEE in 2000;
- That Blue Flag Limited was incorporated in May 1993 by a third party involved in environmental issues, but no use was made of the company. After two years of trying, the company was finally sold to Blue in 2002;
- Blue Flag Limited became the Group company name in 2002 and during the next two years the business was transferred from each of the companies, together with the goodwill which had been accrued, into Blue Flag Limited. The three original companies ceased trading in 2004;
- That between 2004 and 2007 part of the business was operated through Blue Flag Management Services Limited which changed its name to Blue Flag International Limited in 2008;
- That Blue Flag Housing Limited was formed in 2003 with the aim of making it a vehicle for the expanding Eco Homes work. Blue Flag Limited and Blue Flag Housing Limited have common shareholders and directors. Although the Blue Flag Housing name has been used, the company has remained dormant;
- Exhibit SHR6 consists of a breakdown of the trading figures for the individual companies between 1993 and 2008 and are as follows:

	31/3/94	31/3/95	31/3/96	31/3/97	31/3/98	31/3/99	31/3/00	31/3/01
L&W	£696,755	£649,236	£710,532	£547,018	£463,319	£372,842	£350,629	£598,330
EEC								£1,385,018
HEE								£2,401,743
BFMS								
BF								
Total	£696,755	£649,236	£710,532	£547,018	£463,319	£372,842	£350,629	£4,385,091

	31/3/02	31/3/03	31/3/04	31/3/05	31/3/06	30/9/07	30/9/08
L&W	£552,385	£400,143	£517,623				
EEC	£2,405,634	£1,733,812	£1,331,487				
HEE	£4,450,504	£1,955,062	£771,966				
BFMS				£1,482,283	£1,377,024	£1,833,999	
BF		£22,624	£733,332	£2,898,623	£2,747,109	£6,831,854	£4,998,168
Total	£7,408,523	£4,111,641	£3,354,408	£4,380,906	£4,124,133	£8,665,853	£4,998,168

- That the Home Energy Efficiency Scheme (HEES) was originally launched in 1992 and Blue have been working on the scheme continuously since that time;
- That while some of the documents provided by him post-date August 2007, these were included to illustrate the range of activities Blue have been involved in before and after August 2007;
- That the details of Blue's patent was included to demonstrate that they have been and still are active and innovative in the field of building construction and energy conservation;
- That Blue would not obtain and maintain a patent, maintain membership of trade associations and join schemes (all of which cost time and money) if they were not active in the relevant field and providing services to the public on a commercial basis;
- Exhibit SHR7 consists of a letter dated 24 March 2003 to Blue from Jeffrey Gibson of the Energy Council. The letter which is headed "EcoHomes Award Scheme For Keyworker Housing" refers to a meeting which took place on 11 March 2004 (which I assume is meant to read 2003), and talks about "our continued progress on the above project." The letter goes on to refer to, inter alia, "Each "possible" Eco credit", "the Green Guide ratings" and bills Blue for £2,600 in relation to the interim work carried out on the "Very Good EcoHomes" and "Excellent EcoHomes" parameters;
- That the PDA software was used prior to August 2007;
- That all of the advertising material was published and made available to Blue's customers and accurately exemplifies the way in which Blue Flag has been promoted prior to the date of Bouygues' application for registration;
- That the list of post codes provided were generated in March 2009 but were derived from historical data.

29. That concludes my review of the evidence filed in these proceedings to the extent that I consider it necessary.

Decision

30. The opposition is based solely upon section 5(4)(a) of the Act which reads as follows:

"5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting

an unregistered trade mark or other sign used in the course of trade, or

(b)

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

31. In reaching a conclusion on this ground of opposition, I am guided by the comments of the Appointed Person, Mr Geoffrey Hobbs QC, in *Wild Child Trade Mark* [1998] RPC. 455. In that decision Mr Hobbs said:

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

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

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

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action

for passing off which were not under consideration on the facts before the House.'

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."

The material date

32. First I must determine the date at which Blue's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

33. The date of filing of Bouygues' application is, therefore, the material date. However, if Bouygues have used their BLUE FLAG trade mark prior to this then this use must also be taken into account. It could, for example, establish that Bouygues is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that Bouygues use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer.

34. None of Bouygues' evidence relates to use of their BLUE FLAG trade mark in this country. As I noted above, in his witness statement dated 21 September 2009 Mr Ange-Francois Fantauzzi said:

“3...Bouygues Construction wishes to roll out the mark to the UK, in order that it becomes a standard for the Group.”

In my view this comment confirms that at the material date in these proceedings i.e. 22 August 2007 Bouygues had not used their BLUE FLAG trade mark in the United Kingdom, and as such I need not consider the alternative scenarios mentioned in paragraph 33 any further.

Did Blue have a protectable goodwill at the material date? If so, in relation to what services and under what sign(s) has this goodwill been built up?

35. I now turn to consider the above questions. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

36. I also note from the relevant case-law that to qualify for protection under the law of passing off the level of goodwill must be of more than a trivial nature, *Hart v Relentless Records* [2002] EWHC 1984; however, goodwill can be established by small operators – *Stacey v 2020 Communications Plc* [1991] FSR 49.

37. In order to make an assessment of whether Blue have goodwill and if so in relation to what services and under what sign or signs this goodwill has been built up, I must be provided with sufficient information to reach an informed conclusion. I note that in their written submissions Bouygues say:

“31. In cases where one is faced only with evidence from [Blue], and no independent verification of the passing off position, vis à vis the reputation and goodwill, to say nothing of the misrepresentation and damage that would ensue, then careful scrutiny must be given to such evidence and with little real independent corroboration, it is questionable how much weight should be given to such evidence.”

38. In their written submissions Blue say:

“3. It is submitted that in the context of this trade mark opposition the level of proof should be no higher than that normally required in relation to proceedings in the Trade Marks Registry. In particular, [Blue] should be required to satisfy the Registry that, upon the balance of the evidence, they have demonstrated that they could raise an arguable case for passing off. Whilst [Blue] might be required to produce independent verification of reputation and goodwill in a full trial for passing off, it is urged that the information and evidence provided by [Blue] should be viewed in context and taken at face value.”

39. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 Pumfrey J said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under

Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472).

Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

40. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J commented directly upon *South Cone* in the following terms:

“8. Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

41. I note that in his first witness statement, Mr Robertshaw said:

“6. The name BLUE FLAG is extremely important to us, as demonstrated by the fact that it was comprised in the name of the company since its formation in 1993. We have used the name continuously since 1993 in close association with every service which we provide.”

42. In *Extreme Trade Mark* (BL O/161/07), the Appointed Person said, inter alia:

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

43. These comments led the registrar to issue guidance in the form of Tribunal Practice Notice (TPN) 5 of 2007 the relevant parts of which read:

"2. Invitations to disbelieve a witness's evidence arise in the context of factual statements such as "the mark was used in this form by placing it in the window of shop A in relation to goods B at location C between the dates D and E."

However, statements of fact can take other forms. For example, in the context of an allegation of bad faith, what one witness says he told another is a statement of fact. If the evidence consists, as it should, of fact, then the party wishing to have it disbelieved must raise the issue in a way that permits the witness to answer the criticism that his or her evidence is untrue. This can be done by filing written submissions stating why the witness should not be believed in a time frame which gives the witness an opportunity to supplement his or her evidence (if he wishes) before the matter falls to be decided.

3. Normally, this will mean the opposing party making written observations within the period allowed for the filing of its evidence in response to the witness's evidence explaining why the witness should not be believed. Alternatively, the opposing party can file factual evidence in reply of its own which shows why the evidence in question should not be believed. In the further alternative, the opposing party can ask to cross-examine the witness in question at a hearing."

44. In their evidence and first round of written submission Bouygues have drawn attention to what they consider to be the significant failings in Blue's evidence. They comment, inter alia, that:

- a good deal of Blue's evidence is either undated or after the material date and should be disregarded;
- where evidence is within the appropriate time frame its significance in establishing goodwill is dubious;
- parts of the evidence constitutes internal company use;
- the evidence provided does not demonstrate use on the wide range of services claimed in the Notice of opposition;
- without more (such as invoices) the evidence provided does not demonstrate use on a national basis;
- the evidence is imprecise as to what sign has actually been used.

45. They also say that as Blue was a dormant company until 2002, and in the absence of independent corroboration, serious doubts must exist in relation to, inter alia, the turnover and advertising figures provided by Mr Robertshaw.

46. In his evidence in reply, Mr Robertshaw sought to address these criticisms. He says:

“3.It is broadly correct to say that we [i.e. Blue] are primarily gas fitters, at least in a historical context. However, although we started out as gas fitters we are now much more than that. We have progressively expanded to provide a wide range of activities relating to energy usage and conservation within the construction industry...This has been a natural and easy expansion since our customers were already aware of our reputation as gas fitters and the goodwill naturally extended to the other services.”

And:

“4.It is completely incorrect to say that we operate in a small local area. Although we are based in the North of England we operate nationally.

5. [Bouygues] questions the accuracy of the financial information given in my previous witness statement on the basis that [Blue] is listed as dormant from 1993 until 2002. Firstly, I should explain that I essentially regard Blue Flag as a single business...When I talk of “Blue Flag” I am usually referring to the business in general, and the fact that [Blue], has been the main operating company for some years means that there is often no significant difference between the two.”

47. Insofar as Bouygues observe that Blue was dormant until 2002, Mr Robertshaw explains that between 1993 and 2002 the business was operated under three trading companies i.e. L&W insulation Limited, Energy Efficiency Centre Limited and Home Energy Efficiency Limited. He states that Blue Flag Limited was incorporated in May 1993 by a third party, but no use was made of the company name; it was not until 2002 that the company name Blue Flag Limited was acquired by the opponent in these proceedings.

48. Mr Robertshaw states that following this acquisition in 2002 Blue Flag Limited became the Group company name and during the next two years the business was transferred from each of the companies mentioned above, together with the goodwill which had been accrued, into Blue Flag Limited; the three original companies ceased trading in 2004. In addition, he explains that between 2004 and 2007 part of the business was operated through Blue Flag Management Services Limited which changed its name to Blue Flag International Limited in 2008.

49. Finally, he states that Blue Flag Housing Limited was formed in 2003 with the aim of making it a vehicle for the expanding Eco Homes work. He comments that Blue Flag Limited and Blue Flag Housing Limited have common shareholders and directors, adding that although the Blue Flag Housing name has been used the company has remained dormant.

50. I agree with Bouygues that the first sentence of paragraph 6 of Mr Robertshaw’s first witness statement i.e.

“The name BLUE FLAG is extremely important to us, as demonstrated by the fact that it was comprised in the name of the company since its formation in 1993”

is, in the light of the information provided in his second witness statement somewhat misleading. However, the fact remains that the second sentence clearly states that:

“We have used the name continuously since 1993 in close association with every service which we provide.”

51. In my view the second sentence mentioned above can only be interpreted as meaning that L&W (between 1993 and 2004), EEC (between 2001 and 2004) and HEE (between 2001 and 2004) traded under the sign BLUE FLAG. However, as Mr Robertshaw has not explained how this sign was used and as I have no evidence prior to 2003 to show, inter alia, whether this was the only sign these companies relied upon to identify their services, in what form the sign was used by these companies, or the precise range of services these companies provided it would, in my view, be unsafe for me to rely to any great extent on the trading figures generated by these companies.

52. In response to Bouygues’ criticisms, in his evidence-in-reply Mr Robertshaw goes on to say:

“15. Like many small concerns, we concentrate on the day to day running of the business and we do not always keep a detailed historical record of all the documents issued by the company. I am aware that some of the documents included with my main witness statement post date August 2007, but I simply included these to illustrate the range of activities in which Blue was engaged before (and after) August 2007.

16. It is always possible to attack an individual document out of context on the basis of what it does not explicitly show, and I do not propose to defend each of the exhibits in detail.”

And:

“18. My response to the criticism that association membership does not prove that services are provided to the public is similar. Obtaining and maintaining membership of trade associations and joining schemes costs time and money, and we would not do so unless we were active in the relevant field and providing services to the public on a commercial basis.”

And:

“22. I categorically refute the suggestion that my witness statement included advertising material that has not been issued to the public. All of the advertising

material was published and made available to our customers, although for the reasons which I have already stated, it has not always been possible for me to locate original adverts with verified publication dates. Nevertheless, the advertising material does accurately exemplify the ways in which the Blue Flag name has been promoted prior to the date of the trade mark application.”

And finally:

“24. The printout of postcode areas was indeed generated in March 2009 derived from historical data. This is the only format in which our computerised system can conveniently output the relevant information....

25. I re-affirm the statements made in my previous witness statement regarding the range of services which Blue Flag has provided to the public throughout the United Kingdom.”

53. I note Bouygues’ comments to the effect that many of the documents provided by Blue are either undated or after the material date in these proceedings; that is of course correct. However, in his second witness statement Mr Robertshaw accepts that is the case but explains that the documents he provides are illustrative examples only filed to show the range of activities in which Blue was engaged before and after the material date. Bouygues have elected not to cross-examine Mr Robertshaw on this evidence, or to challenge this evidence in a manner which would give him an opportunity to respond to it. In the absence of such a challenge and as his evidence is not obviously incredible, it is not, in my view, open to Bouygues to ask me to disbelieve it.

54. Mr Robertshaw states that both the business conducted by and the goodwill which resulted from the activities of L&W, EEC and HEE had by 2004 been transferred to Blue; Bouygues have not challenged this statement. I note that the trading figures for Blue alone between 2003 (when a trading figure first appeared) to 30 September 2007 (a little over a month of which is after the material date in these proceedings) amounted to some £13.2m. In addition, Mr Robertshaw confirms in his evidence-in-reply that Blue operate on a national basis. Therefore, irrespective of what may have been the position before Blue acquired Blue Flag Limited, I have little doubt that turnover of this magnitude in the United Kingdom would be sufficient to generate a protectable goodwill.

55. In addition, there are the trading figures of Blue Flag Management Services Limited to consider (from 2004 to 2007), and from 2003 the role of Blue Flag Housing Limited, which Mr Robertshaw explains has common shareholders and directors to Blue but which has remained dormant. Insofar as Blue Flag Management Services are concerned, Mr Robertshaw provides figures for the periods ending 31 March 2005 and 2006 and 30 September 2007 (which amount to some £4.7m). While it appears that Blue Flag Management Services Limited (now Blue Flag International Limited) were a separate legal entity to Blue, as I noted above Mr Robertshaw says that he regards Blue Flag as: “a single business”. In addition, he explains that that part of that business was

operated through this company. At paragraph 3-137 of *The Law of Passing Off* by Christopher Wadlow it says, inter alia:

“Corporate Groups for present purposes are groups of companies ultimately under common ownership or control which are held out to the public in such a way as to emphasise that the group is a single enterprise.”

56. This comment appears to me to reflect the situation here. In the absence of evidence or submissions from Bouygues to the contrary, I am prepared to accept that Blue are also entitled to rely on the activities of Blue Flag Management Services Limited to further support their claim to goodwill.

57. Insofar as Blue Flag Housing Limited are concerned, a review of the evidence provided by Blue confirms Mr Robertshaw’s comment to the effect that the name Blue Flag Housing has been used. In my view, and once again in the absence of any evidence or submissions to the contrary, the use from 2003 of the name Blue Flag Housing is use (given that this company has remained dormant) which appears to accrue to Blue and I intend to proceed on that basis. Of course if on appeal an appellate body were to find that on the basis of the evidence provided I have adopted an over cautious approach to the trading figures generated before 2003, this is likely to place Blue in an even stronger position.

58. Having concluded that the business conducted by Blue would have generated a protectable goodwill, I must now determine on which services and under what sign or signs this goodwill has been built up. In this respect, I note that in his first witness statement Mr Robertshaw says:

“2. [Blue] is a major national installer of insulation materials, supplier of renewable energy systems and leader in the construction of energy-efficient new build properties.”

59. In her witness statement Ms Kirby (by reference to exhibit SK1 which consists of a printout from Blue’s website downloaded on 25 July 2008) said:

“2...would lead one to believe that the main emphasis of the services which would appear to be offered at that time were in relation to gas heating and installation services. There were references also on the page to installation of insulation and related services, but none to general building services, nor to any type of environmental impact or assessment services etc.”

60. In their written submissions Bouygues say:

“8. With respect to the claim that [Blue] has expanded into the construction of energy-efficient buildings, which they refer to as “eco housing” there is no real evidence to demonstrate that such goods and services have been supplied to the public prior to the date of application..”

And:

“26. Further, whilst some evidence may point to a company name being used in relation to the offer of gas fitting services, and perhaps insulation services, the evidence provided does not give a clear indication of the true extent of services and over which time period....we submit that the evidence does not show the relevant level of goodwill and reputation in the BLUE FLAG mark with respect to the full remit of services claimed. Or at least that it is unclear that the full range of services were provided at the relevant date, i.e. substantially before August 2007 (and on a continuous basis).”

61. The evidence provided by Blue is, as Bouygues point out, far from perfect. For example, Mr Robertshaw says that in a historical context Blue were primarily gas fitters adding that their services have:

“progressively expanded to provide a wide range of activities relating to energy usage and conservation within the construction industry”.

62. However, he does not give any indication of when specific services were introduced, or the level of turnover attributable to specific services. That said, Bouygues appear to accept that Blue “may” have been conducting a business in relation to gas fitting services and “perhaps” insulation services, although I note they query the sign under which this business was conducted. Whilst I agree with Bouygues that much of Blue’s evidence is either undated or after the material date in these proceedings, I have Mr Robertshaw’s unchallenged evidence-in-reply to the effect that that the documents provided:

“accurately exemplify the ways in which the Blue Flag name has been promoted prior to the date of the trade mark application.”

63. In addition, I have a number of documents which are dated before the material date to assist me. Those documents which are before the relevant date and which appear to me to be relevant are as follows:

Exhibit SHR1

Pages 2-24 – in relation to a Patent application dated **17 January 2005** for an invention which relates to a system for constructing buildings, in particular to a system for constructing homes from prefabricated units;

Page 25 – a certificate issued by the energy Institute dated **January 2007** indicating that **BLUE FLAG LTD** were elected as a Company Member of the Institute;

Page 29 – a certificate in relation to the period **2005/2006** issued by TRUSTMARK registered through the Heating and Ventilating Contractors' Association indicating that **Blue Flag Ltd** is a Trustmark registered trader;

Page 32 – a certificate issued by e-on Energy on **21 September 2006** to **Blueflag** for outstanding performance in Health and Safety;

Page 33 – a letter dated **14 December 2006** from the energy saving trust to **Blue Flag Ltd**, which refers to "**Blue Flag's** application to become an EST Accredited Organisation".

Exhibit SHR2

Page 3 – architectural drawings dated **August 2003** created by JSM Designs Limited for a client named as **BLUE FLAG HOUSING** for "Foundation Details" for "**BLUE FLAG SINGLE STOREY HOUSING.**"

Page 4 - architectural drawings dated **February 2004** created by Watson Batty Architects Ltd for **BLUE FLAG HOUSING** for what is described as "3 bedroomed 5 person terrace unit";

Page 9 - a House Type Approval Certificate dated **19 December 2003** issued by the City of Bradford Metropolitan District Council in relation to a 2 bedroom bungalow; **Blue Flag Ltd** is identified as the Certificate holder;

Page 10 - architectural drawings dated **May 2004** created by Watson Batty Architects for **BLUE FLAG HOUSING** for what is described as "Configuration of single and duplex lifestyle units";

Pages 11-18 – a report in relation to "New Developments for Key Worker Housing" page 5 of which contains a reference to a property developed by **Blue Flag Housing** (Renewable Energy Division) (**2003**);

Page 19-20 – a photograph of a two bedroom bungalow and architectural drawings for the same property **dated June 2003** created by Watson & Batty Architects Ltd for **BLUE FLAG HOUSING LTD**;

Page 21 - architectural drawings dated **May 2004** created by Watson Batty Architects for **BLUE FLAG HOUSING LTD** for what is described as "Spanish villa with 3 No. lifestyle units".

Exhibit SHR3

Page 2 - a facsimile message dated **12 August 2003** from the National Federation of Builders to **Blueflag** inviting them to advertise in the National Federation of Builders Directory for 2004;

Page 18 - an advertisement for Blue's services which it is said appeared in the Yorkshire Post on **3 June 2006**. I note that the advertisement begins with the following text; "Renewable energy solar panel and thermal hot water store" and ends with "Gas, Oil, Solar, Heat Pumps, Wind and Electrical Engineers." The advertisement contains a reference to **Blue Flag Ltd** and also bears a device mark (to which I will return later in this decision).

Exhibit SHR7

Consists of a letter dated **24 March 2003** to **Blue Flag Ltd** from Jeffrey Gibson of the Energy Council. The letter is headed "EcoHomes Award Scheme For Keyworker Housing" and refers to a meeting which took place on 11 March 2003 and talks about "our continued progress on the above project."

64. In reaching a conclusion on which services Blue have used the BLUE FLAG sign, I must approach this issue with some care given Mr Robertshaw's comments at paragraph 61 and Bouygues' comments to the effect that Blue's evidence lacks specificity both as to when particular services were introduced and the percentage of Blue's turnover which is attributable to individual services. What I do know for certain is that prior to the material date in these proceedings Blue (i) had in 2005 applied for a patent for an invention which related to a system for constructing buildings, (ii) were in 2007 a member of the energy institute, (iii) were in 2005/2006 a Heating and Ventilating Contractors' Association Trust Mark Registered Trader, (iv) had in 2006 been granted a Certificate of Excellence in Health and Safety by the Director of Home Installation at e-on energy and (v) had in 2006 become an energy saving trust (EST) Accredited Organisation. In addition, in 2003 and 2004 two firms of architects based in Leeds had created architectural drawings for a range of properties for Blue Flag Housing, in 2003 a House Type Approval Certificate had been issued to Blue by the City of Bradford Metropolitan District Council and in 2003 Blue Flag Housing had been mentioned in a report relating to Key Worker Housing. I also have an advertisement which appeared in the Yorkshire Post in June 2006 which indicates that Blue were offering a range of services described as: "Renewable energy solar panel and thermal hot water store" and "Gas, Oil, Solar, Heat Pumps, Wind and Electrical Engineers", and a letter to Blue dated March 2003 from the Energy Council in relation to the EcoHomes Award For Keyworker Housing.

65. A good deal of Blue's evidence is after the material date (Mr Robertshaw accepts as much). However, bearing in mind his comments to the effect that the documents which he provided which were after the material were included:

"to illustrate the range of activities in which Blue was engaged before (and after) August 2007",

and in the absence of cross-examination, it is, I think, legitimate for me to consider the totality of the picture painted by Blue's evidence in reaching a conclusion. As I noted

above (and without wishing to put words in their mouth), it appears that Bouygues may be prepared to accept that Blue have used a company name (presumably Blue Flag Ltd) in relation to gas fitting and insulation services (although I accept that even this conclusion results from investigations carried out by them in 2008 and 2009).

66. Whilst keeping all of Bouygues' criticisms of Blue's evidence firmly in mind, I am, given the totality of the evidence filed by Blue, prepared to accept that on the balance of probabilities Blue would, by the material date in these proceedings, have accrued a protectable goodwill in relation to their heating and insulation related services. There is also evidence to the effect that prior to the material date Blue were involved in the design, supply and installation of a range of renewable energy systems. This is not particularly surprising as, in my view, these activities build upon Blue's existing heating and insulation business.

67. The same cannot be said of the construction of new buildings which whilst loosely related are, I accept, some distance away from Blue's services mentioned above. However, evidence from before the material date has been provided which indicates that in relation to these services Blue have undertaken a range of preparatory steps including filing a patent to protect a system for constructing homes from prefabricated units. In addition, they have been involved with a range of organisations in connection with these services which include, inter alia, firms of architects, a district council, the National Federation of Builders and the Energy Council; Blue have I note also been mentioned in an academic paper in relation to housing for key workers. These activities are when taken together likely, in my view, to have generated some goodwill in the context of construction of new buildings with at least some members of the trade and academia even if not with the public at large. Finally, and given my findings above, I am also prepared to accept that as part of the above activities Blue would inevitably have been involved with some of the groups mentioned in the design of their own buildings and technical studies, evaluations, estimates, appraisals and reports relating to those buildings, and that on the balance of probabilities those activities would also have generated some goodwill.

68. Having determined the services for which I consider Blue have a goodwill, I must now turn to consider the signs under which Blue have conducted their business. The evidence shows that Blue have used a number of signs i.e. BLUE FLAG LTD, Blue Flag Ltd, Blue Flag Limited, Blueflag Ltd, Blueflag, Blue Flag, blueflag, BLUE FLAG HOUSING, BLUE FLAG HOUSING LTD, Blue Flag Housing Ltd, admin@blue-flag.co.uk and www.blue-flag.co.uk. They have also used a number of composite signs i.e.



And:



69. Irrespective of the form in which it appears i.e. presented in upper, lower or title case either alone, conjoined, as part of a company name, accompanied by a device or in an e-mail or website address, the one consistent element which has been presented to the public throughout has been the name Blue Flag. This is the name by which Blue have promoted itself, and is, I have no doubt, the name by which its customers would refer to it. Consequently, I have no hesitation in concluding that (regardless of presentation) it is under the Blue Flag name that Blue's goodwill has been built up.

Misrepresentation

70. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341 Lord Oliver described misrepresentation thus:

“...[the plaintiff] must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name.”

71. I have already concluded that regardless of presentation it is under the sign Blue Flag that Blue's goodwill has been established. Bouygue's application is for the words BLUE FLAG in upper case; in that respect the signs Blue have used and the sign Bouygues wish to use are to all intents and purposes identical. In addition, I have indicated in paragraphs 66 and 67 those services in which I consider Blue have a

protectable goodwill. Whilst in passing off cases it is not necessary for there to be a common field of activity for Blue to succeed, proximity of trading is an important consideration. Broadly speaking I have determined that Blue's goodwill is in relation to its heating and insulation services and its construction of new buildings and ancillary services relating thereto. Those services are, in my view, broad enough to lead to a misrepresentation by Bouygues if they were to use their application in relation to the following services:

Class 37: Information as regards construction; supervision (direction) of building works; project management services with respect to building and building works; building supervision services, namely, supervision (direction) of building works; construction advice in relation to the quality and environment impact and/or of building work (including assessing the materials, fixtures, fittings used), and awarding company approval or rating where appropriate; advice services for the construction and the organisation of building site operations within the framework of sustained development aid.

Class 42: Engineering and design services, namely services of design and technical studies in connection with operations of construction; technical projects studies relating to testing the quality and environmental impact and/or rating of building work (including assessing the materials, fixtures, fittings used).

72. Whilst keeping in mind that there need not be a common field of activity for misrepresentation to occur there is, in my view, sufficient distance between the services for which I have determined Blue have goodwill and the following services in Bouygues' application for misrepresentation to be unlikely:

Class 36: Real estate affairs; real estate appraisal; real estate management; real estate agencies; restoration of real estates, and of development of land assets; none of the foregoing to include advisory or information services relating to regulation of financial markets and financial affairs

Class 37 - Rental of construction equipment, namely testing and surveying equipment to check quality and environmental impact and/or rating.

Class 42 - Evaluations, appraisals, research and reports in the scientific and technological fields namely surveying, industrial analysis and research, namely evaluation services, provision of estimates, and research in the engineering field; design and development of computers and computer software relating to testing the quality and environment impact and/or rating of building work (including assessing the materials, fixtures, fittings used);

Damage

73. In relation to damage, it is useful to consider the comments of Lord Fraser in *Erven Warnink BV v J Townsend & Sons (Hull) Ltd* [1980] RPC 31 where he stated that the claimant must prove:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill attaches.”

74. In *Mecklermedia Corporation v D C Congress Gesellschaft mbH* [1997] FSR 627 Mr Justice Jacob said:

“Now in some cases one does indeed need separate proof of damage. This is particularly so, for example, if the fields of activity of the parties are wildly different (e.g. *Stringfellows v McCain Foods (GB) Ltd* [1984] RPC 501, nightclub and chips). But in other cases the court is entitled to infer damage, including particularly damage by way of dilution of the plaintiff’s goodwill.”

75. In relation to those services for which I have determined Bouygues’ application will constitute a misrepresentation there is, in my view, no need for Blue to provide separate evidence of damage; it can, as indicated above, simply be inferred.

Summary of conclusions

76. Blue’s opposition succeeds in relation to:

Class 37: Information as regards construction; supervision (direction) of building works; project management services with respect to building and building works; building supervision services, namely, supervision (direction) of building works; construction advice in relation to the quality and environment impact and/or of building work (including assessing the materials, fixtures, fittings used), and awarding company approval or rating where appropriate; advice services for the construction and the organisation of building site operations within the framework of sustained development aid.

Class 42: Engineering and design services, namely services of design and technical studies in connection with operations of construction; technical projects studies relating to testing the quality and environmental impact and/or rating of building work (including assessing the materials, fixtures, fittings used).

77. But fails in relation to:

Class 36: Real estate affairs; real estate appraisal; real estate management; real estate agencies; restoration of real estates, and of development of land assets;

none of the foregoing to include advisory or information services relating to regulation of financial markets and financial affairs.

Class 37 - Rental of construction equipment, namely testing and surveying equipment to check quality and environmental impact and/or rating.

Class 42 - Evaluations, appraisals, research and reports in the scientific and technological fields namely surveying, industrial analysis and research, namely evaluation services, provision of estimates, and research in the engineering field; design and development of computers and computer software relating to testing the quality and environment impact and/or rating of building work (including assessing the materials, fixtures, fittings used).

Costs

78. As both parties have achieved a measure of success in these proceedings both should, in my view, bear their own costs.

Dated this 13 day of May 2010

**C J BOWEN
For the Registrar
The Comptroller-General**