

O-150-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2267389
BY EXTRA RENTACAR LIMITED TO REGISTER
A SERIES OF TRADE MARKS IN CLASS 39**

AND

**IN THE MATTER OF OPPOSITION No. 90187
BY ENTERPRISE RENT-A-CAR COMPANY**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2267389
by Extra Rentacar Limited to register
a series of Trade Marks in Class 39**

and

**IN THE MATTER OF Opposition No. 90187
by Enterprise Rent-A-Car Company**

BACKGROUND

1. On 17 April 2001 Extra Rentacar Limited (Extra) applied to register the following series of two marks in relation to car rental services in Class 39:



2. I note that “The applicant claims the colours red and white as an element of the two marks in the series”.

3. On 4 March 2002 Enterprise Rent-A-Car Company (Enterprise) filed notice of opposition to this application. Enterprise is the proprietor of various UK and European Community trade mark registrations details of which appear in the Annex to this decision.

4. All of these registrations consist of or contain an ‘e’ device.

5. Enterprise asserts that these marks are identical or similar to the series of marks applied for and cover identical or similar services. It also claims use of its ‘e’ device since 1994 and to have a reputation therein. A slightly different form of the mark is said to have been used prior to 1994. On this basis of these assertions Enterprise objects to the application in suit as follows:

- (i) under Section 5(2)(b) on the basis of a likelihood of confusion between the respective marks;

- (ii) under Section 5(3) in that use of the applied for marks would take unfair advantage of or be detrimental to the distinctive character or repute of Enterprise's marks;
- (iii) under Section 5(4)(a) and (b) on the basis of its common law rights and because of the potential subsistence of copyright and design rights in the marks shown in the Annex to this decision;
- (iv) under Section 5 (not further specified) because the aforesaid marks are well known and entitled to protection under Article 6 bis of the Paris Convention.

6. Extra filed a counterstatement denying the above claims and offering a number of submissions on the respective marks. The opponent is also put to proof of its claimed use.

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

8. Both sides filed evidence. The matter came to be heard on 17 May 2005 when the applicant was represented by Mr T Mitcheson of Counsel instructed by Brookes Batchellor and the opponent by Mr J Abrahams of Counsel instructed by Marks & Clerk.

EVIDENCE

Opponent's evidence

9. Enterprise filed an affidavit by Raymond T Wagner Jr., its Legal and Legislative Vice President. His evidence deals firstly with use of the 'e' logo and what he describes as a family of marks consisting of or containing this element. He makes particular reference in this respect to the following registrations, 1544987, 1545521 and CTM 36343.

10. Approximate annual turnover figures in the UK in relation to vehicle (mainly car) rental services is given as follows:

| | £s |
|--|------------|
| Financial Year August 1994 through to end July 1995 | 536,882 |
| Financial Year ending 1996 | 4,893,900 |
| Financial Year ending 1997 | 15,544,922 |
| Financial Year ending 1998 | 30,089,808 |
| Financial Year ending 1999 | 61,186,932 |
| Financial Year ending (i.e. to end July) 2000 | 82,227,907 |

11. The reputation that this gives rise to has, Mr Wagner says, been further reinforced by Enterprise's other vehicle related activities. In the case of vehicle fleet management services and information and advisory services relating thereto the figures are relatively small and only available for the periods 1996 to 1998. In relation to vehicle insurance and financial services, valuation of vehicles and vehicle lease and lease purchasing finance the following UK turnover figures are given:

| | £s |
|--------------------|---------|
| Calendar Year 1995 | 4,386 |
| Calendar Year 1996 | 56,312 |
| Calendar Year 1997 | 296,172 |
| Calendar Year 1998 | 419,876 |
| Calendar Year 1999 | 604,698 |
| Calendar Year 2000 | 716,655 |

12. Promotional expenditure, largely pertaining to car rental, is given as follows:

| | £s |
|---|---------|
| Financial Year ending 1995 (i.e., through to end July 1995 inclusive) | 33,505 |
| Financial Year ending 1996 | 232,290 |
| Financial Year ending 1997 | 669,210 |
| Financial Year ending 1998 | 604,359 |
| Financial Year ending 1999 | 630,866 |
| Financial Year ending (i.e. to end July) 2000 | 693,382 |

13. Mr Wagner says that there has also been substantial use outside the UK, notably in North America and Europe, and that visitors from the UK will have been exposed to this usage. I note that in the four financial years 1997 to 2000 turnover of several billion US dollars is reported.

14. Within the UK the 'e' logo has been promoted by means of business cards, flyers, invoices and credit notes, on stationery items, adverts, tickets, ticket holders, vehicle stickers and promotional giveaways. There has also been substantial advertising. An example of a Yellow Pages advertisement is shown at Exhibit III. Examples of Internet usage are shown at Exhibit IV. Although the latter are of more recent date, it is said that they are indicative of such usage prior to the material date in these proceedings. In particular the www.ecars.com site was available for viewing by UK customers from at least 28 January 1998 and www.enterprise.com from September 1999.

15. Examples of promotional items, invoices and stationery are shown at Exhibit V. Lists of Enterprise's UK locations at September 1997 and at October 2000 are shown at Exhibit VI. I note that there is very substantial coverage in mainland UK.

16. Mr Wagner goes on to refer to Enterprise's other marks which also feature the 'e' logo in association with the word 'Enterprise rent-a-car' along with a box format. These marks are said to have been frequently used with the 'e' logo solus resulting in overlapping turnover etc. considerations.

17. The remainder of Mr Wagner's affidavit consists of submissions. I bear these in mind but do not propose to record them here.

18. There is, in addition, a statutory declaration by Daryl Harvey Scales, Finance Director of Enterprise Rent-A-Car UK Limited. He provides at Exhibit I photographs of UK premises showing use of the 'e' logo and the composite mark of e.g. No. 2035279.

Applicant's evidence

19. The applicant filed a witness statement by Richard Alan Lowden, Chairman and Managing Director of Eurodrive Car Rental Limited of which the applicant company is a wholly owned subsidiary.

20. Mr Lowden says that Eurodrive is a franchise vehicle rental system which was established in 1993. Extra Rentacar is a trading subsidiary which was formerly known and operated under the brand name Easy Car and Van Rental (launched in June 1998). Much of Mr Lowden's statement is taken up with a detailed history of the Easy Car Rental brand which incorporated the dot insignia and lower case 'e' encapsulated within a circle. This part of Mr Lowden's statement appears to be of marginal relevance at best to the issues before me in this case. Suffice to record that, following a claim by easyJet and a counterclaim of its own, a settlement agreement was reached whereby Eurodrive re-branded its Easy Car Rental operation to Extra Rent-A-Car but retaining the dot insignia and lower case e in a circle along with the colours red and white.

21. This settlement agreement and re-branding took place in 2001 and references to subsequent use of the marks at issue appear to relate to the period after the filing date of the application or at least substantially so.

22. I should, however, record that Mr Lowden refers to meetings he had with two senior members of Enterprise, Susan Lombardo (Assistant Vice President Vehicle Acquisition) and Tony Francis (National Corporate Sales Manager). He says that this shows that senior representatives of Enterprise were fully aware of the existence of the Extra Car Rental brand prior to the year 2000.

23. Finally Mr Lowden points out that Enterprise's 'e' logo is used in the colours green and white and consists of a drawn image imitating a road whereas Extra's mark is used in the colours red and white and employs the Baskerville typeface.

Opponent's evidence in reply

24. There are three pieces of evidence in reply to Mr Lowden's witness statement. The first is a further affidavit by Mr Wagner. This is in the main a detailed commentary on Mr Lowden's evidence. As much of the latter is of tangential relevance to the issues before me it is not necessary for me to record Mr Wagner's response. In relation to Mr Lowden's observations on the colour aspects of the parties' marks, Mr Wagner points out that

Enterprise's trade marks are not restricted as to colour and would cover a variety of colour combinations. Furthermore, both sides' marks might be produced in black and white in trade journals etc.

25. Susan Eileen Lombardo, Enterprise's Assistant Vice President Vehicle Acquisitions, has submitted a statutory declaration. As regards her meetings with Mr Lowden, she says that all such meetings were in the context of a vehicle manufacturer sponsored event. She does not have a clear recollection of exchanging business cards with Mr Lowden and cannot say what his card looks like "nor what his "logo" is".

26. The final piece of evidence is a statutory declaration by James Patmore, Enterprise's Vehicle Acquisitions Manager. He refers to a reference to himself by Mr Wagner. No such reference was made by Mr Wagner in the paragraph referred to. At the hearing Counsel suggested that this part of the evidence may have been brought over from the previous proceedings between the parties where the evidence was (it would seem) somewhat different. The purpose of his evidence appears to be to establish the limited scope of his dealings with Mr Lowden.

27. That concludes my review of the evidence so far as I consider it necessary at this point.

DECISION

28. In his skeleton argument and in submissions at the hearing Mr Abrahams concentrated on the grounds based on Section 5(2) and 5(3) of the Act. The ground based on Section 5(4)(a) was not given up but, realistically, he recognised that it would stand or fall with the opposition based on Section 5(2). As a consequence the grounds based on Section 5(4)(b) relating to copyright and design right and also the well known mark claim were not pursued and I need say no more about them.

Section 5(2)(b)

29. The relevant part of the statute reads:-

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

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

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

30. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723.

31. Mr Mitcheson also referred me to the convenient summary of the principles to be applied that are contained in *Raleigh International Trade Mark*, [2001] RPC 11 at pages 209-213. The following extract from the Appointed Person's decision suffices to show the composite nature of the question and the general approach to be adopted:

“I think it is clear from the case law of the European Court of Justice that an objection under section 5(2) of the Act raises a single composite question: are there similarities (in terms of marks and goods or services) which would combine to create a likelihood of confusion if the “earlier trade mark” and the sign subsequently presented for registration were used concurrently in relation to the goods or services for which they are respectively registered and proposed to be registered?”

The question falls to be answered in accordance with the detailed guidance provided by paragraphs 17 to 27 of the judgment of the European Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v. Klijsen Handel BV* [1999] E.T.M.R. 690. Those paragraphs confirm that an objection under section 5(2) should be assessed with due regard to the commercial realities of the market place, bearing in mind that distinctiveness, resemblance and proximity of trading are matters of fact and degree which must be given such weight and priority as they deserve as part of the overall assessment.”

32. An issue has also been raised in this case about the test for confusion and whether it is satisfied if there is a ‘risk’ that the public might believe the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings. The point arises from the Court of Appeal's judgment in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 586. Strictly, the point only arises for consideration if I find that there are similarities between the marks and services. I propose, therefore to consider the services in issue, the nature and characteristics of the average consumer for those services, the distinctive character of the marks, the similarities and differences between the marks and finally the global appreciation of the likelihood of confusion.

The Services

33. This is the least contentious area of the case. Both parties have vehicle rental services as their core activities and this is reflected in the specification of the applied for mark and in the specifications of the key registrations relied on by the opponent which can be taken as being No. 1544987, CTM No. 36343 (the e logo marks) and Nos 2035279 and 2033436 (the composite marks containing the e logo and the words Enterprise rent-a-car). The opponent's specifications use the term vehicle rental services which must embrace the applicant's car rental services. Thus, identical services are involved. It is not necessary to go on and consider whether the other goods and services in the opponent's registrations are similar to car rental services. If the opponent does not succeed on the basis of identical services it can scarcely expect to succeed on the basis of similar services.

The average consumer for the services

34. Broadly speaking consumers fall into two categories – ordinary members of the public who might hire a car for personal use (holidays etc) and corporate customers whose needs may be more extensive and regular. It seems to me that the process of hiring a car is not

something that is undertaken lightly. Enquiries will be made as to rates, insurance packages, mileage allowances etc. Consumers (of any kind) are likely to evaluate offerings from different suppliers and to be exposed to a fair amount of information, whether in oral, written or in electronic form, before making a choice. No doubt corporate customers with greater bargaining power and more sophistication in negotiating packages will take even greater care in satisfying themselves that the service being offered fully meets their needs.

35. These considerations impact on consumer behaviour. Mr Abrahams pointed out that individual members of the public, being on the whole irregular users of car rental services, will be prone to the effects of imperfect recollection. Mr Mitcheson suggested that, even though this might be the case for ordinary members of the public, it was counterbalanced by the degree of care that is likely to be exercised in selecting a car rental service.

36. Clearly Mr Abrahams is right in saying that the effect of sequential rather than concurrent acquaintance with marks must be allowed for and with it the effect of imperfect recollection. But I am inclined to think that the nature of the purchasing process is such that consumers can be expected to have had more than simply a casual or passing exposure to a rental company's branding, certainly in comparison to an off the shelf purchase of a goods item in, say, high street retail premises (not least because there is documentation to be signed). Corporate users can be expected to be even more discriminating. But there is no evidence before me as to the breakdown in sales between individual and corporate customers and, in any case, the specifications are not restricted to reflect any particular marketing plans or practices of the parties.

The distinctive character of the marks

37. Marks are to be assessed by reference to their distinctive and dominant components (*Sabel v Puma*, paragraph 23). There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it (*Sabel v Puma*, paragraph 24). The average consumer is said to normally perceive a mark as a whole and not to analyse its various details.

38. The opponent's strongest case is the e logo mark of No. 1544987 and CTM No. 36343. Mr Abrahams reminded me that, whilst the UK registration was subject to a disclaimer to the exclusive use of "a letter 'E'", the CTM bore no such disclaimer. That may be so but the absence of a disclaimer does not mean that I am relieved of the task of deciding where the distinctive character of the mark lies.

39. It is generally held that single letters have limited (if any) capacity to distinguish because of the limited number of letters available and the use of letters in model or catalogue references (see to that effect 19.2.5 of the Trade Mark Registry's Examination Work Manual). There may be less force to that line of reasoning in relation to services as, indeed, the Registry's Work Manual recognises. Nevertheless, I think I can take judicial notice of the fact that the letter e (particularly a lower case one) is often indicative in this day and age of 'electronic' in the context of conducting business through an electronic medium. Thus 'e-mail', 'e-commerce' and such like are commonly used combinations. It is probably no coincidence that the evidence in this case shows that both parties offer their services via the internet. A lower case e (without more) is unlikely, therefore, to be distinctive.

40. Taking these considerations into account it seems to me that the distinctive character of the opponent's e logo mark resides in the particular form in which it is represented. I note that in previous proceedings between the parties (strictly an associated company of the current applicant) where the opponent's e logo was relied on Mr Justice Laddie described it on appeal in the following terms:-

“The appellant has a variety of trade marks set out in the annex to the decision. The best to use for today's purposes is that numbered 1544987 being a device mark consisting of a square block containing an “e” formed by what is effectively a two-line road entering the block from the left curving round on itself and leaving the block from the right so as to indicate a lower case cursive letter “e”.”
(from the note of the judgment appended to Mr Mitcheson's skeleton argument)

The road image is likely to be particularly apparent to consumers in the context of vehicle rental and associated services.

41. The guidance from *Sabel v Puma* is to the effect that account must be taken of the acquired distinctive character of the mark as well as its inherent qualities. Mr Mitcheson conceded that there had been extensive use of the e logo device in conjunction with, or as part of, the composite mark which also contained the words ‘Enterprise rent-a-car’. He submitted that there was no separate breakdown of turnover between the logo and composite marks and consumers were more likely to remember the ‘Enterprise’ element.

42. The evidence as a whole shows use of both the e logo on its own and the composite mark. There is also some use of the ‘wrapped car’ device (of Nos. 2129548 and CTM 509976) but the latter has not been shown to feature as regularly as the other marks.

43. I think Mr Mitcheson's submission underplays the effect of the use of the e logo (solus). It features regularly and prominently in a variety of contexts eg on car rental office buildings (Exhibit I to Mr Scales' declaration), in the advertisements (Exhibit III and V to Mr Wagner's affidavit), in promotional items (Exhibit V to Mr Wagner's affidavit, on invoices (again Exhibit V), and on the location maps (Exhibit VI). My conclusion is that the opponent can legitimately claim that the e logo in its stylised form has acquired an enhanced degree of distinctive character through use. In reaching that view I do not need to decide whether Mr Mitcheson is right in submitting that consumers are more likely to refer to the opponent by the name Enterprise. That may well be the case though strictly there is no evidence on this point. But it does not mean that another mark such as the e logo, whose appeal may be largely visual, will not feature in the recollections and perceptions of consumers.

44. Turning to the applied for mark, Mr Abrahams' skeleton argument advanced the following analysis:

“In the case of the Applicant's mark, the text element of the mark is extremely non-distinctive. The text is simply a website with a descriptive name: “extra” is a laudatory term; “rentacar” is entirely descriptive; and the “.com” suffix just indicates a website. What turns the Applicant's sign into a trade mark is the “e” element and that is that part that is noticeable and significant from the point of view of the average consumer interested in the trade origin of the services being offered under it.”

45. In contrast Mr Mitcheson's position was that:

"In contrast to registered mark no 1544987, the "e" in the Applicant's mark is differently represented in that it is formed in a circle at the end of a long line of dots. Moreover there are other features of the Applicant's mark which comprise more distinctive and memorable elements thereof, namely the important words "extrarentacar.com". These words provide a distinctive and memorable element to the Applicant's mark and serve to distinguish the mark as a whole from those of the Opponent."

46. There is a danger in all this, as in fairness Counsel recognised, of engaging in the very sort of over-analysis of a mark that the ECJ authorities caution against. Nonetheless, some analysis is inevitable and permissible providing I return to a whole mark analysis at the end.

47. I remind myself that the applicant claims the colours red and white as an element of the two marks in the series. However, I cannot see that the presence of colour has been shown to make any meaningful contribution to the distinctive character of the marks either through nature or nurture. Furthermore, the opponent's most relevant registrations are not restricted as to colour. Nor in my view does the fact that one of the marks in the series applied for and the opponent's marks are presented within 'boxes'. A box presentation is relatively commonplace and unremarkable doing little more than providing a background against which to show off the mark.

48. The applied for mark is a composite one consisting of a line of dots culminating in a lower case letter e in what is said to be a circle (the surround in the representation before me appears to be more hexagonal than circular but nothing turns on the point). Below this are the words extrarentacar.com presented in lower case and with the elements 'rent' and 'car' picked out in a darker or contrasting colour. The second mark is presented against a red box background.

49. Mr Abrahams was right in my view to suggest that elements such as 'rentacar' and '.com' will be seen as primarily descriptive of the nature of the business and its style of trading (that is to say via the Internet). The word 'extra' taken on its own does have laudatory connotations but I find it less easy than Mr Abrahams to discount its contribution to the mark as a whole. Whilst the word extra denotes something additional or exceeding expectation, in itself the word is unspecific and when attached to the words rentacar.com to produce a somewhat unusual meaning at a literal level (one is not presumably getting an extra car) I find that it has a distinctive character albeit not a high one.

50. That is, of course, only one element of the mark. The line of dots is not in my view endowed with distinctive character in its own right but makes a contribution to the overall layout, presentation and visual appeal of the mark.

51. The line of dots culminates in the lower case e in a circle or hexagon. The use of a lower case e in plain typeface seems to me to reinforce the internet/electronic medium message conveyed by the mark (including in particular the website/.com address element). The impact of the e seems to me to be based not so much on its inherent qualities as in the contribution it makes to the overall presentation of the mark. In summary, the principal distinguishing features of the mark for me are the words extrarentacar.com combined with other elements of very low distinctive character but presented in such a way that the overall

arrangement is a little out of the ordinary. I, therefore, differ from Mr Abrahams in the importance he would have me attach to the e element of the mark. The most that can be said is that a stylised letter e and a plain letter e feature as separate elements of the parties' marks.

Comparison of the marks

52. This must take into account the visual, aural and conceptual similarities and differences. The position must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. The following point was made by Mr Hobbs QC sitting as the Appointed Person in *Torremar Trade Mark* [2003] RPC 4:

“...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] F.S.R. 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd* [1998] F.S.R. 283).”

53. Posing the question in that way and bearing in mind my appraisal of the distinctive character of the respective marks, the comparison of the respective marks can be dealt with fairly shortly. It is common ground that the only point of similarity relied upon by the opponent is the use of the lower case letter e in the respective marks.

54. But once it is accepted that the distinctive character of the opponent's mark rests largely if not exclusively in the particular stylised form in which that mark is presented then visual, aural and conceptual similarity with the applied for mark simply does not exist. To put the matter another way, for the opponent's case to get off the ground it would require the average consumer to discount the significance of the presentational aspects of the opponent's mark whilst at the same time extracting the unstylised letter e from the applicant's mark and disregarding or downgrading the presence of other (more distinctive) matter in that mark. That combination of circumstances seems to me to be improbable to a high degree.

55. Both marks, because of their individual presentation, rely to a high degree on visual appraisal and appeal. In use the opponent's mark tends to be used with the Enterprise name (the logo and composite marks often appear in close association) and it is the latter which is most likely to be used in oral references. In the event that the consumer was not also aware of the Enterprise name then the logo may well be referred to as an e logo with or without mention also being made of the 'road' image. That might suggest the opponent has a rather better case on oral/aural similarity grounds. I do not accept that this would be the case. The applied for mark will, in my view, be referred to by the name extrarentacar. At most a consumer might refer to e extrarentacar but even then the latter combination would dominate in oral usage.

56. These considerations also follow through to conceptual similarity/dissimilarity. Again for the opponent to have any chance of success it would require the consumer to engage in a process of analysis of the applied for mark which resulted in a wholly improbable degree of significance being accorded to the letter e.

57. For all these reasons I find that the respective marks are not similar when due account is taken of their distinctive and dominant features and allowing for imperfect recollection. I have reached that view without needing to place reliance on the judge's findings in the previous appeal hearing between the parties save to the extent that I have drawn on his description of the opponent's mark. The applied for mark here is quite different to the one under consideration there. The opponent is entitled to have this opposition decided on its merits.

Likelihood of confusion

58. I have found that the services are identical but that the marks are not similar. In *Vedial v OHIM*, Case C-106/03P the European Court of Justice considered an appeal from the Court of First Instance's judgment in circumstances where there was acknowledged to be identity and similarity between the goods but the signs were adjudged to be neither identical or similar from the visual, aural or conceptual points of view. The applied for mark was described as being a composite word and figurative mark comprising the name 'HUBERT' in black stylised capital letters bordered with white, surmounted by a bust of a chef of jovial appearance raising his right arm with upturned thumb. The opponent's mark was the word mark SAINT-HUBERT 41. The Court said that:

“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 mark 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.”

59. That case concerned Article 8(1)(b) of the Regulation on the Community Trade Mark which is equivalent in scope to Section 5(2) of the UK Act (and Article 4(1)(b) of First Council Directive 89/104 on which the UK Act is based).

60. The circumstances described in paragraph 54 of the *Vedial* judgment broadly correspond to the position here. In short, without similarity between the earlier trade mark and the mark applied for there can be no likelihood of confusion regardless of the reputation of the earlier mark or the fact that identical services are involved.

61. I see no need to give separate consideration to the opponent's composite mark consisting of the e logo and the words Enterprise rent-a-car. Even allowing for the fact that the e logo is a separate element within that mark the presence of the prominent and distinctive word Enterprise puts even further distance between the respective marks. On this basis the opposition under Section 5(2)(b) fails.

62. Although my above finding decides the matter under Section 5(2), in deference to a submission made by Mr Abrahams, I think I should go on to consider what the position would be if, on appeal, I was found to be wrong in relation to the issue of similarity of marks. If the marks were held to be similar because of the presence of the opponent's stylised letter e and the e element of the applied for mark then I would have to go on to consider the likelihood of confusion bearing in mind also that identical services are involved.

63. Mr Abrahams' submission was that in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 it had been said that the test for confusion is satisfied if there is a risk that the public might believe that the goods or services in question came from the same undertaking or, as the case may be, from economically-linked undertakings. The Court of Appeal held that the first instance judge had gone wrong by adopting a higher test of whether the public would believe that the product was that of the proprietor or an associated product.

64. Mr Abrahams is quite correct to say that Aldous LJ who gave the judgment in the *Thomson* case refers at various points (paragraphs 56, 60 and 64 for instance) to 'risk' though it is equally clear from the wording he uses at paragraph 43 of the judgment that he had in mind the nature of the test as expressed in the UK statute and the English language version of the Directive, that is to say likelihood of confusion but including the likelihood of association. The use of the word 'risk' in the *Thomson* case appears to derive from the following passage from the ECJ's judgment in *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.*, [2002] F.S.R. 77:

"18. According to the case-law of the Court of Justice, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 5(1)(b) of the Directive (see, to that effect, *SABEL*, paras 16-18, and Case C-39/97 *Canon Kabushiki Kaisha v MGM* [1998] E.C.R. I-5507, paragraph 29). It follows from the very wording of Article 5(1)(b) that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope (see, to that effect, *SABEL*, paragraphs 18 and 19)."

65. Aldous LJ went on to deal with the issues arising from the deputy judge's judgment as follows:

"55. The most serious criticism of the judgment was that the judge had failed to follow the guidance of ECJ in the *Canon* and *Lloyd* cases as to what was the relevant question for the court to consider. In para. [29] the judge said this:

“Therefore the question is, assuming a fair and normal use of the registered trade marks FREESTYLE for travel, tours and/or holiday products other than cruises, would the average member of the public interested in a cruise holiday product branded as FREESTYLE CRUISING believe the product was either a product of the claimants or a product associated with the providers of FREESTYLE land based holiday and travel products.”

56. Mr Baldwin is right that the judge considered the wrong question. As he pointed out, in paragraph [29] of the ECJ’s judgment in *Canon* the test was stated in terms of “a risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitute a likelihood of confusion”. The judge had adopted the higher test of whether the public would believe the product was that of the proprietor or an associated product. Further the judge failed to make allowance for imperfect recollection (see para. [26] of the judgment in the *Lloyd* case).

57. Mr Baldwin also drew attention to paras [33] and [35] of the judgment.

“33....Such evidence whilst relevant to whether the booking and arranging of cruise holidays relates to services which are similar to the booking and arranging of land holidays, does not assist in resolving whether the defendants’ use of the sign ‘Freestyle Cruising’ is likely to be confused with the claimants’ marks are used in relation to land based holidays services.

...

35. In my opinion for the reasons given above, the mark Freestyle is neither inherently sufficiently distinctive nor has it acquired such distinctiveness in the market place and given the message that the use of the sign Freestyle Cruising is likely to convey to the average consumer and also given the widespread adoption of the sign Freestyle in relation to other trading activities, I do not consider that the use of the sign Freestyle Cruising for booking and arranging cruises in the manner used by the defendants is likely to cause confusion with the claimants’ marks when fairly used in respect of land based holiday activities or services. In the result the claimants’ action fails. I shall hear counsel on the relief sought.”

58. In paras [33] and [35] the judge does not refer to the likelihood of association and therefore there appears to be a different test applied to that posed in para.[29] of his judgment (see para. [55] above). There is no need to try to decide, using the intervening paragraphs of the judgment, whether the judge did apply different tests as on any basis the test applied was not correct. Therefore this Court would have had to reconsider s.10(2) confusion afresh.”

66. It is not clear to me from this passage that it was being suggested the judge had erred in terms of the standard of the test to be applied (the risk point) as distinct from the scope of the test in terms of the need to consider relevant association and the belief that goods or services might emanate from economically-linked undertakings. It is, it seems to me, perfectly possible to read paragraphs 56 and 58 above as no more than a statement that allowance needs to be made for indirect as well as direct confusion and that in failing to do so the judge had not applied the right test.

67. To put the matter another way the construction that Mr Abrahams invites me to adopt on the 'risk' point involves placing rather more reliance and importance on the choice of that word than the original context in the *Lloyd* and *Canon* cases warrants (where the issue being addressed was the meaning of likelihood of association). Furthermore, if a lower test than 'likelihood of confusion' was being formulated I would have expected the Court to set out its reasoning on the point. I say this because, taking the ordinary meaning of the words risk and likelihood they are not synonyms and cannot readily be substituted for one another. Collins English Dictionary defines risk as "the possibility of incurring misfortune or loss; hazard" and likelihood as "the condition of being likely or probable; probability".

68. Risk may span a broader spectrum of possibilities but may, I accept, overlap with 'likelihood' at one end of that spectrum. Thus, the risk of being struck by space debris is remote to a high degree. The risk of a child overindulging if given free rein in a sweet shop is probable to a high degree. It follows that the difference between the range of possibilities inherent in the term risk involves more than just slight nuances of meaning. If risk is to be assimilated into the test for likelihood of confusion and the latter is to be construed with this in mind in the terms Mr Abrahams suggests, it is arguably a matter which would need to be the subject of a reference to the European Court at some point even if it does not arise in this case.

69. It is, however, right to point out that, whilst the English language version of the Directive refers to likelihood of confusion in Article 4.1(b), the German version is said to speak of a 'risk' of confusion (see to that effect footnote 1 to the report of the *Canon* case on page 124 of [1999] RPC 117). The *Canon* case was, of course, a reference from the Bundesgerichtshof and would presumably have been framed in terms of the German language version of the Directive. My understanding is that each language version of the Directive has equal standing. It is also the case that, consistent with the harmonising intention and scope of the Directive, the various language versions of the Directive are intended to have the same meaning. Nevertheless, I am not aware that any subsequent decisions of the European Courts or Member States have suggested that there is any issue to be resolved in relation to the standard of the test laid down in Article 4.1(b) or that the test is satisfied by a mere risk of confusion however remote.

70. I should also add for the sake of completeness that the TRIPS Agreement at Article 16 uses the term 'likelihood of confusion' as does the English language version of the Community Trade Mark Regulation (40/04) at Article 8.1. The Directive, the Community Regulation and the UK Act are to be construed in a manner consistent with TRIPS.

71. I also bear in mind Lindsay J's observations in *Gromax Plasticulture Ltd v Don and Low Nonwovens Ltd* [1999] RPC 367, albeit in the different context of bad faith, on the approach to construing the words of an Act:

"Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

72. In the specific context of Section 5(2) Mr Clarke QC (as he was then), sitting as the Appointed Person, in *Laura Trade Mark O/430/99* said:

“It is of importance that in both the relevant provisions in the European Directive and in Section 5(2) of the 1994 Act what has to be identified is the likelihood of confusion, not simply the possibility of confusion.” (emphasis as per the original text)

73. Furthermore, in *Marca Mode* [2000] E.T.M.R.723 the ECJ rejected the argument that a mark with a reputation sufficient to cause association in the strict sense was within the scope of Article 5(1) if the likelihood of confusion could not be ruled out (in effect a risk point). The Court held that:

“ 42. Accordingly, the answer to the question must be that Article 5(1)(b) of the Directive cannot be interpreted as meaning that where

- a trade mark has a particularly distinctive character, either *per se* or because of the reputation it enjoys with the public, and
- a third party, without the consent of the proprietor of the mark, uses, in the course of trade in goods or services which are identical with, or similar to, those for which the trade mark is registered, a sign which so closely corresponds to the mark as to give rise to the possibility of its being associated with that mark,

the exclusive right enjoyed by the proprietor entitles him to prevent the use of the sign by that third party if the distinctive character of the mark is such that the possibility of such association giving rise to confusion cannot be ruled out.” (my emphasis)

74. As the *Thomson* case does not unambiguously yield the meaning that Mr Abrahams ascribes to it, the proper course is for me to look to the wording of the Act (as consistently construed in numerous reported cases) and the normal meaning of the word ‘likelihood’.

75. In summary I remain unconvinced that the use of the word ‘risk’ in the context and circumstances in which it appears in the *Canon* case (and then subsequently picked up in the *Lloyd* and *Thomson* cases) was intended to produce a lower test. In these circumstances I would be of the clear view that, if there is a low level of similarity between the respective marks, it would not produce a likelihood of confusion.

Section 5(3)

76. Following the European Court of Justice decisions in *Davidoff & Cie SA & Zino Davidoff v Gofkid Ltd* (C-292/00) and *Adidas – Salomon AG & Adidas Benelux BV v Fitnessworld Trading Ltd* (C-408/01) and the amendment to the 1994 Act contained in SI 2004 No 946, Section 5(3) now reads:

“A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, 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.”

77. The amendment makes it clear that the Section applies to goods or services which are

similar or identical to those for which the earlier trade mark is registered in addition to goods or services which are 'not similar' (the wording in Section 5(3)(b) of the Act prior to amendment). The opponent here has amended its case to reflect and take advantage of this change.

78. I have been referred to a number of authorities which set down guidance on the operation of the provision in particular:

General Motors Corp v Yplon SA (Chevy) [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited & others*[2004] EWHC 1498 (Ch).

79. In the *Merc* case Pumfrey J took as his starting point the following:

“88. In my view, the best approach is just to follow the section remembering Jacobs A.G.’s warning that it is concerned with actual effects, not risks or likelihoods. The enquiry is as follows. (1) Does the proprietor’s mark have a reputation? If so, (2) is the defendant’s sign sufficiently similar to it that the public are either deceived into the belief that the goods are associated with the proprietor so that the use of the sign takes unfair advantage of the mark, or alternatively causes detriment in their minds to either (a) the repute or (b) the distinctive character of the mark, or (3) even if they are not confused, does use of the sign nonetheless have this effect, and (4) is the use complained of nonetheless with due cause.”

80. In line with my above findings in relation to the distinctive character of the opponent’s marks acquired through use I will take as my starting point an assumption that the reputation aspect of the test has been satisfied. I take that to be the case in relation to the e logo mark (solus) and the composite mark consisting of the e logo and the words Enterprise rent-a-car, I regard that reputation as subsisting primarily in relation to the business of vehicle rental. There may be some associated reputation piggy-backing on this trade. Most notably this might include the vehicle insurance and finance related services which have generated a significant and growing turnover from 1995/6 onwards. However, in the absence of detailed information relating specifically to this part of the business it is difficult to ascertain the precise extent of the reputation attaching to the marks in this respect (bearing in mind the range of services covered).

81. The second question posed by Pumfrey J’s analysis in the *Merc* case is whether the applicant’s sign is sufficiently similar to the earlier trade mark(s) to produce one or more of the adverse consequences set out in the Section. It is not essential for this purpose for there to be confusion. It is enough if the public would be deceived into believing that the applicant’s services are associated with the proprietor with resulting unfair advantage or detriment to distinctive character or repute. Mr Abrahams put his case on the basis of blurring, an accepted form of detriment (see, for example, the *Typhoon* case). That is to say use of the applied for mark would impair the originality and distinctive character of the opponent’s mark as well as the advertising effectiveness derived from its uniqueness (as he put it in his skeleton argument).

82. My finding that the respective marks are not similar (and in this I include both the

opponent's e logo mark and its composite mark) means that the opponent's case must fail on this point alone. However, in case it is said on appeal that I should have found a small degree of similarity arising from the presence of a stylised e in the opponent's marks and the letter e in the applied for series of marks, I will briefly consider the opponent's position.

83. If it can be said that there is similarity between the marks it is at such a low level that I am unable to accept that the average consumer would make the sort of association between the marks that would be necessary to underpin the action under Section 5(3). The question of detriment to the distinctive character of the opponent's mark(s) would simply not arise and would not in any case satisfy the standard suggested in *Electrocoin Automatics v Coinworld* [2005] F.S.R. 7:

“.. in order to be productive of advantage, or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behavior.”

84. For these reasons, briefly stated, the Section 5(3) ground also fails.

Section 5(4)(a)

85. It is accepted by the opponent that the Section 5(4)(a) ground stands or falls with my decision in relation to Section 5(2). I need say no more about this ground.

COSTS

86. The opposition as a whole has failed. The applicant is entitled to an award of costs. Mr Mitcheson referred me to the numerous pleaded grounds not all of which were in the event pursued. Apart from having to read and consider these unpursued grounds the applicant does not appear to have been inconvenienced by them or been put to additional effort and expense as a result. In all the circumstances an award from the normal scale of costs will be sufficient recognition of the applicant's success. I order the opponent to pay to the applicant the sum of **£2,200**. This sum is to be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th day of June 2005

**M REYNOLDS
For the Registrar
The Comptroller-General**

UK Trade Mark Registrations

| Mark | Number | Classes | Goods/Services | Trade Mark Journal/Date | Page |
|--|---------|---------|---|---|------|
|  | 1544987 | 39 | Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; all included in Class 39. | 6012 16.2.94 Effective Date 14.08.93 | 899 |
|  | 1545521 | 12 | Land vehicles; apparatus for locomotion by land; parts and fittings for all the aforesaid; all included in Class 12. | 6037 10.08.94 19.08.93 | 4866 |
|  | 1566076 | 39 | Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; reservation and/or booking services relating to vehicles; reservation services for vehicle leasing and/or rental; all included in Class 39. | 6068 29.03.95 18.03.94 | 1994 |
|  | 1566075 | 12 | Land vehicles; apparatus for locomotion by land; parts and fittings for all the aforesaid goods; all included in Class 12. | 6068 29.03.95 18.03.94 | 1927 |
|   Series of 2 marks. First mark in Series in colour. | 2035279 | 12 & 39 | 12: Land vehicles; apparatus for locomotion by land; parts and fittings for all the aforesaid. 39: Vehicle rental services, vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle leasing and rental services and reservation services for the rental and leasing of vehicles; information and/or advisory services relating to the aforesaid. | 6114 28.02.96 19.09.95 | 1606 |
|  | 2033436 | 12 & 39 | 12: Land vehicles; apparatus for locomotion by land; parts and fittings for all the aforesaid. 39: Vehicle rental services, vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle leasing and rental services for the rental and leasing of vehicles; all the foregoing relating to land vehicles; information and/or advisory services relating to the aforesaid. | 6124 8.05.96 13.09.95 | 4479 |

| | | | | | |
|--|---------|-------------------|---|------------------------------|------|
|  | 2033136 | 12,35, 37 & 39 | <p>12: Vehicles; apparatus for locomotion by land; parts and fittings for all the aforesaid.</p> <p>35: Advertising, business and/or management services relating to vehicles; fleet management services; information and/or advisory services relating to the aforesaid.</p> <p>37: Vehicle maintenance services; vehicle repair services; rental, loan and/or hire of equipment relating to the aforesaid; information and/or advisory services relating to the aforesaid.</p> <p>39: Vehicle rental services, vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle leasing and rental services and reservation services for the rental and leasing of vehicles; information and/or advisory services relating to the aforesaid.</p> | 6116 13.03.96 9.09.95 | 2083 |
|  | 2129548 | 39 | <p>Vehicle rental services; vehicle rental and arranging for vehicle rental services; provision of information and/or advice and/or consultancy services in respect of the foregoing.</p> | 6184 16.07.97 15.10.96 | 7813 |

Community Trade Mark Registrations

| Mark | Number | Classes | Goods/Services | Trade Mark Journal/ Date | Page |
|--|-----------|-------------|--|------------------------------|-----------|
|  | 000036343 | 12, 36 & 39 | 12: Land vehicles; vehicles, automobiles and apparatus for locomotion on land; parts and fittings for all the aforesaid goods. 36: Insurance; financial and financing services; financial valuations; all the aforesaid relating to vehicles; vehicle financing services; vehicle lease and lease-purchase financing. 39: Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle rental and leasing; and reservation services for vehicle rental and/or leasing. | 32/97 6.12.97 20.11.95 | 55/ 66 |
|  | 000036335 | 12, 36 & 39 | 12: Land vehicles; vehicles, automobiles and apparatus for locomotion on land; parts and fittings for all the aforesaid goods. 36: Insurance, financial and financing services; financial valuations; all the aforesaid relation to vehicles; vehicle financing services; vehicle lease and lease-purchase financing. 39: Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle rental and leasing, and reservation services for vehicle rental and/or leasing. | 37/97 29.12.97 1.04.96 | 43/ 44 |
|  (in colour) | 000036541 | 12, 36 & 39 | 12: Land vehicles; vehicles, automobiles and apparatus for locomotion on land; parts and fittings for all the aforesaid goods. 36: Insurance; financial and financing services; financial valuations; all the aforesaid relating to vehicles; vehicle financing services; vehicle lease and lease-purchase financing. 39: Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle rental and leasing, and reservation | 32/98 4.05.98 16.10.95 | 58 |

| | | | | | |
|---|-----------|-------------|--|------------------------------|-----------|
| | | | services for vehicle rental and/or leasing. | | |
|  | 000036574 | 12, 36 & 39 | 12: Land vehicles; vehicles, automobiles and apparatus for locomotion on land; parts and fittings for all the aforesaid goods. 36: Insurance, financial and financing services; financial valuations; all the aforesaid relating to vehicles; vehicle financing services; vehicle lease and lease-purchase financing. 39: Vehicle rental services; vehicle leasing services; vehicle towing services; vehicle breakdown recovery services; recovery of vehicles; vehicle rental and leasing, and reservation services for vehicle rental and/or leasing. | 31/98 27.04.98 2.10.95 | |
|  | 000509976 | 39 | Vehicle rental services; vehicle rental and arranging for vehicle rental services; provision of information and/or advice and/or consultancy services in respect of the foregoing. | 24/98 6.04.98 15.10.96 | 552/ 3 |