

O-173-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 2512671 IN THE NAME OF BEN  
SPENCER IN RESPECT OF THE FOLLOWING TRADE MARK IN CLASSES  
20 AND 39:**



**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO. 83707 BY PASS J HOLDINGS LIMITED**

## TRADE MARKS ACT 1994

**IN THE MATTER OF registration no. 2512671  
in the name of Ben Spencer  
in respect of the following trade mark in Classes 20 and 39:**



**and**

**the application for a declaration of invalidity  
thereto under no. 83707 by Pass J Holdings Limited**

### **BACKGROUND**

1) Ben Spencer is the proprietor of the above mark ("the registration"). He applied for the registration on 1 April 2009 and following publication in the Trade Marks Journal on 3 July 2009, the registration procedure was completed on 11 September 2009. The registration covers the following goods and services:

#### **Class 20**

*Non-metal pallets for goods handling and/or loading, transportation and freight, including but not limited to pallets made of wood or plastic.*

#### **Class 39**

*Transport, freight, distribution, warehousing and logistics services including: the collection and delivery of goods; the transportation of goods including but not limited to transportation by road; goods handling services including: packaging or other conditioning of goods for transportation; the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets; the provision of warehousing or other goods storage facilities; the provision of one or more of the above services via Internet ordering.*

2) On 4 March 2010, Pass J Holdings Limited (hereafter "Pass") applied for the registration to be declared invalid. The grounds of the application are that Pass is the proprietor of earlier marks, the relevant details being:

Relevant details	Relevant services
<p>CTM*2832244</p>  <p>Filing date: 22 October 2005</p> <p>Registration date: 7 April 2006</p>	<p><b>Class 39:</b> <i>Transport services; shipping, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services, information and advisory services relating to all the aforesaid.</i></p>
<p>CTM2742260</p> <p>ONLINE ROADWAYS</p> <p>Filing date: 21 June 2002</p> <p>Registration date: 11 May 2005</p>	<p><b>Class 39:</b> <i>Transport services; shipping, freight, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services relating to all the aforesaid.</i></p>
<p>CTM5545207</p>  <p>Filing date: 22 November 2006</p> <p>Registration date: 21 November 2007</p>	<p><b>Class 37:</b> <i>Maintenance and repair of vehicles.</i></p> <p><b>Class 39:</b> <i>Transport services; shipping, freight, freight forwarding; haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services for all the aforesaid.</i></p>
<p>CTM5519129</p>  <p>Filing date: 20 November 2006</p> <p>Registration date: 21 November 2007</p>	<p><b>Class 37:</b> <i>Maintenance and repair of vehicles.</i></p> <p><b>Class 39:</b> <i>Transport services; shipping, freight, freight forwarding; haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services; information and advisory services for all the aforesaid.</i></p>

\*Community Trade mark

3) Pass says that given the similarity between their earlier marks and the registration, and the identity or similarity of the respective goods and services there exists a likelihood of confusion and the registration was therefore contrary to section 5(2) (b) of the Trade Marks Act 1994 (“the Act”) and should be invalidated under Section 47(2) of the Act. It also relies upon the same earlier marks when claiming that the registration also offends under Section 5(3) of the Act as use of the registered mark would take unfair advantage of the earlier marks, as such use will dilute and tarnish the distinctive character or repute of those earlier marks. As the address of the registered proprietor is in close proximity to the address of the applicant, it is more likely that the registered mark will “free ride” on the success of the earlier marks.

4) The “Online” brand, owned by Pass, has been in use since 1983 in relation to services in Class 39. The registration therefore offends under Section 5(4)(a) of the Act because use of the registered mark by Mr Spencer is liable to be prevented by the law of passing off.

5) Mr Spencer subsequently filed a counterstatement denying the opponent’s claims. He claims that the word “online” is inherently lacking in distinctive character in relation to any activity conducted with reference to the Internet.

5) Both sides filed evidence and ask for an award of costs. Pass also filed written submissions. The matter came to be heard on 5 May 2011 when the applicant for invalidation was represented by Bill Tennant for Tennant IP and Mr Spencer represented himself.

## **DECISION**

### **Applicant’s Evidence**

6) This takes the form of a witness statement by Geoff Lane, company secretary of Pass. He explains that The Online Group was formed in 1983 and offers a logistics service. The Online Group is a division of Pass that has a fleet of over three hundred vehicles that collects and delivers pallets from its sites in the UK.

7) Mr Lane provides total turnover figures for Pass and also turnover in respect to pallet distribution services for the European Union. Total turnover is £11.1 million in 2002 rising to £29.6 million in 2010. The turnover relating to pallet distribution is in the region of 10% to 20% of this. The amount spent promoting the “Online” brand over the same period has varied between £12,000 and £27,000 a year. In 2002 and 2005, seven thousand five hundred catalogues were distributed and the brand has been advertised in various magazines including *IFW* magazine, *Lloyds* magazine and *Truck & Driver* magazine. Sponsorship deals have included European and World Touring Car Champion, Andy Priaulx. Various industry awards have been won, such as “Depot of the Year” as voted by the pallet distribution network members, and the “Online” brand has been promoted at

industry exhibitions such as NEC Logistics Link South and North and SME Exhibition. Other promotions have also been used such as *Corgi* vehicle toys, diaries, pens, mouse mats, calendars.

8) Pass has a wide pallet distribution network operation with fully liveried vehicles carrying a distinctive "Online" label. Exhibit GL1 is a copy of a photograph of one of Pass' trucks bearing the mark represented by CTM5519129 on the side of the cab and the mark similar to that represented by CTM5545207 on the side of the trailer. It differs from the registered version in that the horizontal lines are extended further to the left and the additional words "PalletFORCE" appear between these lines. The mark represented by CTM5545207 also appears on the side of the building shown in the photograph together with the words "Haulier of the year 2005".

9) At Exhibit GL2 is a copy of publication called "ifw Awards 2008 The Winners". Mr Lane explains that "ifw" stands for "International Freight Weekly". On page 10 is a full page advert for "The Online Group"; the mark as represented by CTM2832244 appears prominently with the additional word "ROADWAYS" appearing between the horizontal lines and to the right of the word "ONLINE". The advert features four different contact details in the UK as well as one in Germany. The statements in the advert include:

- Vehicle fleet in excess of 250 vehicles
- From Sprinter Vans to Artic Tautliners
- Express pallets throughout Europe
- Single pallets to 44 tonne loads
- Full storage and large warehouse facility
- 10 acre "marshalling site" in Dagenham

Page 11 of the same magazine features the same mark as the previous page to indicate that "Online Roadways" are the sponsors of "The Road Freight Award".

10) Exhibit GL3 is a copy of the "Online Group" magazine dated October 2005. A number of versions of its marks are displayed and the main points within its contents are:

- "Online Roadways" was again awarded the "Depot of the Year" award voted for by the "PalletFORCE" network of 70 members.
- "The Online Group" was formed in 1983, trading as "Online Roadways". It now offers its services to local, national and international industries and in particular the car industry.
- The services offered are shipments up to 44 tonnes, a 350 thousand square foot warehousing complex, operating as a member of the "ParcelFORCE" network.

11) Exhibit GL4 is a copy of a design drawing dated 16 October 2005 illustrating the vehicle livery at that time, as shown below:



12) Exhibit GL5 is a brochure, dated May 2007, illustrating use of the CTM5545207 mark. It records the fact that “Online MBT” (a division of Pass) was a founder member of the “PalletFORCE” network and that the network is one of the fastest growing pallet distribution networks in the UK.

13) Exhibit GL6 is a further brochure heralding “Online MBT” as “International Operator of the Year” at the “Motor Transport Awards 2008”. Exhibits GL7 and GL8 are copies of leaflets, the first dated 1 September 2001 providing tariffs for the services of “Online” and the second, dated 25 April 2007 providing a further description of its services.

14) Mr Lane’s statement also contains numerous submissions that I will not detail here, but I will keep in mind.

### **Mr Spencer’s evidence**

15) This takes the form of a witness statement from Mr Spencer, dated 25 November 2010. He explains that he is sole proprietor of “OnlinePallet” that was established in 2004 and began trading in March 2005 offering online quotations, booking and payment facilities for the collection and delivery of palletised goods throughout the UK.

16) All of the sales of “OnlinePallet” come through its website. Selected pages from this website are provided at Exhibit B1 showing the mark as registered appearing prominently at the top left corner of each page. Mr Spencer claims that “OnlinePallet” was the first business in the UK to offer a comprehensive Internet-based automated quotation, booking and payment facility of its kind for its services and now has a significant presence in the marketplace. Selected testimonials are provided at Exhibit B2 dated between November 2006 and November 2010.

17) Advertising and promotional spend have grown from £161 in 2005 to £8894 in 2010. Such advertising has been in the form of search engine “pay per click” advertising, eBay promotional campaigns, personalised seasonal cards/gifts, Yell.com directory listings and Yellow Pages directory advertisements. An example of the latter is provided at Exhibit B3 prominently showing the registered mark. 6500 members have registered their details with “OnlinePallet” and its website has been receiving about 4000 visitors per month. Total UK turnover has risen from £429 in 2005 to £135,000 in 2010.

18) Mr Spencer states that the respective business models of the parties is different with the sales channels, in particular, being different. He also provides a number of submissions that I will keep in mind.

### **The legislation**

19) The case has proceeded to final determination on the basis of Section 5(2) (b) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(2) of the Act. The relevant parts of Section 47 of the Act read as follows:

“47. - (1) ...

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

20) Sections 5(2)(b), 5(3) and 5(4)(a) read as follows:

“(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.

(3) A trade mark which –

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

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

(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.”

21) An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means –

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

22) Of potential relevance to a ground of opposition under Section 5(2) are the provisions that relate to proof of use. Section 6A(1) details the circumstances where these provisions apply:

**“6A Raising of relative grounds in opposition proceedings in case of non-use**

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.”

23) Pass relies upon four earlier mark that are all registered and therefore qualify as earlier marks as defined by Section 6 of the Act. These earlier marks all completed their registration procedures between May 2005 and November 2007. These dates are all within five years of the publication of Mr Atwal’s mark, being 3 July 2009 (the relevant date) and as such, they are not subject to the proof of use provisions.

24) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM) C-334/05 P (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*

### ***Comparison of goods***

25) It is worth commenting that for the purposes of Section 5(2)(b) of the Act, I must compare the lists of goods and services covered by the respective registrations and not the goods and services actually being provided by the parties to their customers at this time. In assessing the similarity of goods and

services, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

26) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

27) All of Pass’ earlier marks are in respect of an identical list of Class 39 services. These are the only goods and services relied upon by Pass. The following table lists the parties’ relevant respective goods and services:

<b>Pass’ earlier services</b>	<b>Mr Spencer’s goods and services</b>
<p><b>Class 39:</b> <i>Transport services; shipping, freight forwarding, haulage; transportation by air, land and sea; courier services; storage; logistics; packaging services, information and advisory services relating to all the aforesaid.</i></p>	<p><b>Class 20:</b> <i>Non-metal pallets for goods handling and/or loading, transportation and freight, including but not limited to pallets made of wood or plastic.</i></p> <p><b>Class 39:</b> <i>Transport, freight, distribution, warehousing and logistics services including: the collection and delivery of goods; the transportation of goods including but not limited to transportation by road; goods handling services including: packaging or other conditioning of goods for transportation; the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets; the provision of warehousing or other goods storage facilities; the provision of one or more of the above services via Internet ordering.</i></p>

Mr Spencer's Class 20 goods

28) Pass' *transport services* include transport of pallets and palletted goods. Therefore, Mr Spencer's *non-metallic pallets* are goods that are integral to the provision of at least some of the services covered by Pass' earlier marks. Whilst they are different in terms of nature and intended purpose, the consumer is likely to expect the provider of the transportation service to also provide the pallets, if required. As such, there is some overlap in terms of trade channels. The use of such pallets is to allow for easy transportation of the goods placed upon them and as such there is also some similarity in terms of methods of use also. Taking all of this into account, I conclude that the respective goods and services share a moderately high level of similarity.

Mr Spencer's Class 39 services

29) The following services listed in Mr Spencer's specification are self-evidently identical to services listed in Pass' specification:

<b>Pass' services</b>	<b>Identical services in Mr Spencer's registration</b>
<i>Transport services; transportation by air, land and sea;</i>	<i>Transport; distribution; collection and delivery of goods; the transportation of goods including but not limited to transportation by road</i>
<i>Freight forwarding</i>	<i>Freight</i>
<i>Logistics</i>	<i>Logistic services</i>
<i>Storage</i>	<i>Warehousing; the provision of warehousing or other goods storage facilities.</i>
<i>Courier services; packaging services</i>	<i>Goods handling services including; packaging or other conditioning of goods for transportation</i>

30) The remaining term in Mr Spencer's registration is *the provision, including hiring, of artefacts for the purpose of transporting goods, including but not limited to the provision of pallets*. Whilst not obviously identical to any of Pass' services, it is closely linked to transport and distribution services and is arguably is covered by them. Even if not covered, the intended purpose is very similar in that they are both services to assist the safe transit of goods, the trade channels may be the same and the provision of artefacts for the purpose of transporting goods is complementary in the sense that transport services, as covered by Pass' registrations are important and even essential (In the sense expressed in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-325/06) for the existence of Mr Spencer's service. I therefore find that these respective services are highly similar.

31) Finally, I note that all of Mr Spencer's services can be provided via Internet ordering as specified by the term *the provision of one or more of the above services via Internet ordering*. However, this does not place any distance between the respective services because Pass' list of services also includes such services provided via Internet ordering.

***The average consumer and nature of the purchasing act***

32) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods at issue. I have already found that the majority of the respective goods and services are identical and where not identical that they may share the same trade channels. It follows that the consumer of both parties' goods and services will be the same. I note that Mr Spencer has submitted that the business models, activities undertaken, customer profile, sales channels and types of transactions differ between the parties. However, this is not reflected in the respective specifications of services and whether this is true or not is therefore not relevant to my considerations. Therefore, it does not affect my finding that the parties share the same types of consumers.

33) Having established this, I must consider who these consumers are. The answer must be that they are drawn from a wide variety of both the general public and business users. A member of the general public may wish to have a single item transported. At the other end of the spectrum a business may require the transportation of many large items on a regular basis. As such, the nature of the purchasing act will also be very broad. At the one end of the spectrum, the transportation of a single item, that will be reasonably low cost, may involve a process that involves only average level of consideration. At the other end of the spectrum where a business is negotiating a long term contract for the transportation of goods, the level of consideration will be high.

***Comparison of marks***

34) Pass relies upon four earlier marks. I consider that its strongest case resides with the mark covered by CTM2832244. As such I will limit my consideration to a comparison of this mark with Mr Spencer's mark. For ease of reference, the respective marks are:

Pass' earlier mark	Mr Spencer's mark
	

35) When assessing the extent of similarity between the respective marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23). I shall begin with an assessment of the dominant and distinctive elements of the respective marks. Pass' mark consists of the word "Online" in blue coloured script. The first arm of the first letter "N" and the last arm of the second letter "N" have both been extended to become part of the device element that also consists of two additional red lines. The lines device can be described as minor embellishment that is negligible when considering the impact of the mark as a whole. It follows that, obviously, the dominant and distinctive element of Pass' mark is the word "Online".

36) In respect of Mr Spencer's mark, this consists of three elements, the word "Online", the word "Pallet" and the device of lorry. At the hearing, Mr Spencer argued that the word "Online" in his mark was devoid of distinctive character and descriptive in respect of goods and services accessed via the Internet and that therefore, it is not the dominant and distinctive element of his mark. "Online" may be perceived as non-distinctive and descriptive in certain circumstances, however, it is not clear to me that this is the case when considering his mark as a whole. The word "Online" is combined with the word "Pallet". Pallets themselves are physical goods and transportation of pallets or palleted goods is not conducted electronically. As such, they cannot be described as "online". Therefore, in this context the word "Online" cannot be said to be functioning in a wholly descriptive way.

37) Having found that "Online" is not wholly descriptive or non-distinctive when Mr Spencer's mark is considered as a whole, it forms part of the distinctive phrase "Online Pallet". This phrase forms about three quarters of the whole mark with the device of a lorry forming the remainder and I conclude that the phrase is the dominant and distinctive part of Mr Spencer's mark.

38) Having identified the dominant and distinctive elements of the respective marks, I shall go on to consider the level of similarity between the marks. From a aural perspective the respective marks both contain the word "Online". It is the first word that will be pronounced in Mr Spencer's mark and it is the only aural element in Pass' mark. Therefore, it is an obvious point of similarity. The other elements of Pass' mark have no aural significance. In Mr Spencer's mark there is also the word "Pallet" that is absent in Pass' mark and as such, is a point of difference between the marks. The device of a lorry, present in Mr Spencer's mark, will not be referred to aurally and therefore has no impact upon aural similarity. Taking all these points together and noting that "Online" is at the beginning of Mr Spencer's mark and is the only aural element of Pass' mark, I conclude that the marks share a reasonably high level of aural similarity.

39) Visually, the marks share the word "online" and this is an obvious and prominent point of similarity. Mr Spencer's mark has the additional word "pallet"

and the device of a lorry, both of which are absent from Pass' mark. These are obvious points of difference, as is the lines and the extensions to both letter Ns in Pass' mark. Taking this similarity and the differences into account, I conclude that the respective marks share a reasonably high level of visual similarity.

40) From a conceptual perspective, it is argued by Mr Spencer that the word "Online" in his mark is used to describe the method in which his services are accessed. The mark, when viewed as a whole, may allude to this but no more. This is because the construction of the mark is such that the word "online" applies to the "word" pallet and not to the method of access to the goods or services. Therefore, insofar as a conceptual meaning can be applied to Mr Spencer's mark, it is an allusion (but no more than that) to the availability of pallets and transportation of the same via the Internet. The device element alludes to the transportation aspect of this. Similarly, with Pass' mark, the meaning perceived by the consumer in the word "online" will be seen as an allusion to being "available on or performed using the Internet"<sup>1</sup>, but once again, as Pass' services cannot be conducted "online" as they involve the physical movement of goods from one place to another, the consumer will see the word "online" not as a purely descriptive way, but no more than an allusion to such services being accessed "online". Taking all of this into account, I conclude that, insofar as "online" conveys any message in the respective marks, that message is the same, namely, a reference to goods and services accessed online. With this in mind, conclude that the marks share a moderately high level of conceptual similarity.

41) I must factor these findings into an assessment of overall similarity. I have found that the respective marks share a reasonably high level of visual and aural similarity and a moderately high level of conceptual similarity. These factors combine so that, overall, the marks share a moderately high level of similarity.

### ***Distinctive character of the earlier trade mark***

42) I have to consider whether Pass' mark has a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of it. The mark consists of the word "Online" embellished by two horizontal lines, one above and one below the word element. Further, one arm of each of the two letter Ns in the word element are elongated so that they also become horizontal lines. That said, the mark is still overwhelmingly an "Online" mark, with the line elements having a minimal impact upon the impression created by the mark. The word "online" has a clear meaning in English, as already identified above, but in respect of the relevant services, the term is no more than an allusion to a method of accessing the services rather than the services

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<sup>1</sup> "online". Oxford Dictionaries. April 2010. Oxford Dictionaries. April 2010. Oxford University Press. 6 May 2011 <[http://oxforddictionaries.com/view/entry/m\\_en\\_gb0580440](http://oxforddictionaries.com/view/entry/m_en_gb0580440)>.

themselves. As such, I conclude that the mark enjoys a moderate degree of inherent distinctive character.

43) I must also consider the effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act. This was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

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

44) Pass has provided evidence in respect of its reputation in the “Online” brand. Mr Tennant clarified that the reference to “the ‘Online’ brand” refers, in the main to the marks “Online Roadways” and “Online MBT” and device and not the mark that I am considering here (“Online” and device). Rather than consider the evidence in respect of these marks, I will give Mr Spencer his best case and assume that Pass’ mark that I am using for comparison with Mr Spencer’s mark does not benefit from an enhanced level of distinctive character because of use made of it.

### ***Likelihood of confusion***

45) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

46) It is established that the first part of words catch the attention of consumers (see joined cases T-183/02 and T-184/02 *El Corte Inglés v OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR)* [2004] ECR II-965, paragraph 81). As the UK consumer reads from left to right and from top to bottom, it can be inferred that this guidance extends to where the first part of the marks are the same (as opposed to the first part of a word). With this guidance in mind, Mr Spencer's mark has the word "Online" as the first part of the mark and the same word is the only verbal element of Pass' mark.

47) The established case law, referred to earlier, requires that the global assessment of the likelihood of confusion is based on the overall impression given by the marks, bearing in mind the distinctive and dominant components of each mark. I have found that the respective marks share a reasonably high level of visual and aural similarity and a moderately high level of conceptual similarity. I concluded that these combine to result in the respective marks sharing a moderately high level of similarity overall. I also found that the earlier mark enjoys a moderate degree of distinctive character. Further, I have found that the respective Class 39 services are identical and that Pass' Class 12 goods share a moderately high level of similarity to Mr Spencer's goods. The purchasing act is primarily a visual one that involves varying degrees of care and attention, but I do not ignore that aural considerations may also play a part.

48) Taking all of the above into account, and on the balance of probability, I find that the similarities identified are such as to outweigh the differences. In reaching this conclusion, I bear in mind that the common element of both marks appears at the beginning of Mr Spencer's mark and that it is the only aural element of Pass' mark, and that imperfect recollection is a factor. Therefore, I find that the average consumer will confuse the marks or at least assume that the goods and services provided under the respective marks originate from the same or linked undertaking. Therefore, there exists a likelihood of confusion.

### **Concurrent Use**

49) Having found that a prima facie likelihood of confusion exists, the only factor that can save the application is the existence and effect of concurrent use. I believe it is a point I must address considering the extent of use made of the relevant mark by Mr Spencer. In doing so, I am mindful that I must be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin (see to that effect the Court of Appeal in *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at page 291, Laddie J in *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 at 809 and the Court of Appeal in *Phones 4U Ltd v Phone 4u. co. uk Internet Ltd* [2007] RPC 5 at paragraphs 42 to 45 and Alan Steinfield QC, sitting as a deputy judge of the High Court, in *Fiorelli Trade Mark* [2007] RPC 18)

50) Therefore, for concurrent use to be of assistance to Mr Spencer, I must be satisfied that the effect of concurrent trading has been that the relevant public has shown itself able, in fact, to distinguish between services bearing the marks in question i.e. without confusing them as to trade origin. That implies that both parties are targeting an approximately similar, or at least overlapping, audience and that the use by the parties in nature, extent and duration of trade has been sufficient to satisfy me that any apparent capacity for confusion has been adequately tested and found not to exist.

51) In the current case, Mr Spencer is at pains to point out that he believes the consumers of his services are different to those of Pass' services. In his counterstatement he explains that his "customer profile is characterised by a large proportion of individual and business customers who send "one-off" non-repeat or occasional shipments of one or two pallets, whereas the Proprietor's knowledge of businesses similar to Pass suggests that Pass would have a more significant proportion of sales from repeat customers who typically have credit accounts and send consignments more frequently and which are, on average, larger in volume". In light of this information and in the absence of any evidence to the contrary, I am not satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have been able to differentiate between them without confusion as to trade origin.

52) My *prima facie* finding regarding likelihood of confusion remains undisturbed and I find there is a likelihood of confusion in respect of all of Mr Spencer's goods and services and the invalidation action based upon Section 5(2) (b) succeeds.

### **Section 5(3) and Section 5(4)(a)**

53) At the hearing, Mr Tennant made a number of concessions. Firstly, he stated that the grounds based upon Section 5(3) of the Act only advanced Pass' case if I were to find that some or all of the respective goods and services were not similar. On the contrary, I have found the respective goods and services to be either identical or highly similar and as such, I do not intend to consider the grounds based upon Section 5(3) of the Act. I should say that if I were to consider this ground, despite some shortcomings in the evidence, I would have found that a reputation has been demonstrated, that the necessary link existed and that damage in the form of free-riding exists.

54) In respect to Section 5(4)(a), Mr Tennant conceded that a finding in respect of these grounds should follow my findings in respect of Section 5(2)(b) and in light of my earlier findings, it is not necessary for me to consider further the grounds based upon Section 5(4)(a) of the Act.

## **COSTS**

55) The invalidation action having been successful, Pass is entitled to a contribution towards its costs. I take account that both parties filed evidence and that a hearing has taken place. I award costs on the following basis:

Preparing Application and statement and considering statement in reply  
£500

Preparing evidence and considering other side's evidence  
£600

Preparing and attending hearing  
£500

TOTAL        £1600

56) I order Ben Spencer to Pass J Holdings Limited the sum of £1600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 20 day of May 2011**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**