

**TRADE MARKS ACT 1994**

**IN THE MATTER OF:**

**OPPOSITION No. 51174**

**IN THE JOINT NAMES OF CITIBANK NA AND CITICORP**

**TO TRADE MARK APPLICATION No. 2210663**

**IN THE NAME OF CITYBOND HOLDINGS PLC**

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**D E C I S I O N**

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Application No. 2210663

1. Citybond Financial Planning Plc (*'the Applicant'*) applied on 7 October 1999 to register the designation **CITYBOND** as a trade mark for use in relation to the following services in Class 36:

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

The name of the Applicant was changed to Citybond Holdings Plc with effect from 19 February 2002. The application for registration was amended to show the new name for the Applicant in May 2003.

## Opposition No. 51174

2. Citibank NA and Citicorp (*'the Opponents'*) objected to the application for registration in a Notice and Grounds of Opposition filed on 12 July 2000. Objections to registration were raised under Sections 3(1)(b), 3(1)(c), 3(1)(d), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. The Applicant joined issue with the Opponents on their Grounds of Opposition in a Counterstatement filed on 20 October 2000. Both sides filed evidence in support of their contentions with regard to the application in dispute. The opposition proceeded to a hearing before Mr. David Landau acting on behalf of the Registrar of Trade marks on 21 March 2005.

### The Hearing Officer's Decision

3. In a written decision issued on 18 May 2005 (BL 0-136-05) Mr. Landau rejected the opposition in its entirety and ordered the Opponents to pay the Applicant £3,000 as a contribution towards its costs of the Registry proceedings.

4. He decided that the designation **CITYBOND** was free of objection on absolute grounds under Sections 3(1)(b) and 3(1)(c) (the objection under Section 3(1)(d) having been abandoned) on the following basis:

'The words **CITY** and **BOND** certainly have individual relevance to finance and financial institutions. However, together I am unable to identify any specific characteristics of the services. The trade mark is allusive and does not show an immense degree of inventiveness, but there is no requirement for inventiveness in a trade mark. None of those interviewed in the survey seemed to identify a clear meaning to the trade mark, although many saw an allusion to the City. In relation to the services of the application I cannot see there is any need to leave **CITYBOND** free for other traders

and so there is no public interest issue. **I dismiss the objection under Section 3(1)(c) of the Act**’ (paragraph 81)

‘... I cannot see that **CITYBOND** would not readily facilitate repetition or avoidance of a purchase. I consider that the words **CITY** and **BOND** in combination do present a distinctive character. **I dismiss the objection under Section 3(1)(b) of the Act**’ (paragraph 82)

5. In relation to the objections on relative grounds under Sections 5(2)(b) and 5(3) he decided as follows:

‘**CITIBANK** comes freighted with an enormous reputation for commercial banking, it is the flagship trade mark of Corp and the part after **CITI** starts with a letter **B**. If Corp cannot succeed in relation to this trade mark I cannot see that it could succeed in relation to any others upon which it has relied in this opposition’ (paragraph 93)

‘In this case I do not consider that **CITIBANK** and **CITYBOND** are distinctively similar. In coming to this conclusion I bear in mind that aural confusion alone could give rise to a likelihood of confusion (*Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel BV*)’ (paragraph 100)

‘I have come to the conclusion that any similarities between the trade marks are not such as to give rise to a likelihood of confusion. This takes into account the reputation in the trade mark **CITIBANK** and the identity of the services encompassed. It is a given that I take into account the average consumer could be the public at large and that he or she will have to rely upon imperfect recollection. An absence of sufficient similarity between signs is such that there cannot be a likelihood of confusion.’ (paragraph 101)

**‘The objection under section 5(2)(b) of the Act is dismissed’** (paragraph 103)

‘I have already decided that **CITIBANK** enjoys a *Chevy* reputation. However, section 5(3) of the Act is dependent upon the similarity of the trade marks. I have decided that the trade marks are not similar in relation to section 5(2)(b), the same analysis as to similarity applies here. Owing to the absence of similarity no “link” will be made, neither will

there be any effect on the relevant public's economic behaviour (see *Electrocoin Automatics Limited v. Coinworld Limited and others* [2005] FSR 7). **The ground of opposition under section 5(3) must, consequently, be dismissed.**' (paragraph 107)

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

6. In relation to the objection on relative grounds under Section 5(4)(a) he decided that:

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

'In relation to *travel insurance services* and *travel bonding*, regardless of other factors, Corp could not succeed in its claim. Holdings has been using the trade mark for too long in relation to such services. In the United Kingdom in relation to such services Corp is very much a late entrant upon the scene. It has not established that it had a goodwill in the United Kingdom in 1985 and so seniority in title will rest with Holdings (see *Croom's Trade Mark Application* [2005] RPC2). Even if this was not the case in relation to such services it is too late, in my view, for Corp to complain. This is an issue dealt with by Pumfrey J in *Daimlerchrysler AG v. Javid Alavi (T/A Merc)* [2001] RPC 42 at para. 67.' (paragraph 114)

## The Appeal

7. On 16 June 2005 the Opponents gave Notice of Appeal to an Appointed Person under Section 76 of the Act contending, in substance, that the hearing officer had given undue weight to the Applicant's evidence of use of **CITYBOND** and rejected the objections to registration under Section 5(2)(b), 5(3) and 5(4)(a) without giving due weight to the combined effect of the degree of similarity between **CITIBANK** and **CITYBOND** and the degree of similarity between the services for which they were respectively registered and proposed to be registered. These contentions were developed in argument at the hearing before me.

8. There was no appeal against the hearing officer's rejection of the grounds of opposition based on Sections 3(1)(b) and 3(1)(c) of the Act.

## The Open Offers

9. At the hearing of the appeal I invited the parties to consider whether the scope of the contested application for registration might be reduced by amendment so as to more closely reflect the actualities of the Applicant's use of **CITYBOND** and thereby reduce or eliminate the commercial concerns underlying the opposition.

10. The Opponents' agents subsequently sent an open letter to the Applicant's agents stating:

Our clients would be prepared to withdraw this appeal and their opposition to your clients' application in return for

- (1) your clients' specification of services being limited to "provision of travel insurance policies and related administrative services".

and (2) a reasonable contribution to their costs in this appeal.

If your clients agree to this proposal, and subject to an appropriate figure being agreed under (2) above, we will also ask the Appointed Person to issue an abbreviated decision setting aside the determinations of Mr. Landau in relation to section 5 of the Trade Marks Act 1994, and noting that the appeal and opposition stand withdrawn with no order as to costs.

11. The Applicant's agents replied in an open letter stating:

Whilst your proposed specification is not acceptable to our client, we can confirm that our client is willing to restrict the specification to:

“travel insurance policies and travel insurance services”

In the circumstances, however, our client is concerned that the inherently uncertain ambit of the phrase “travel insurance services” may lead to further difficulties in future, particularly in light of the scope of our client's business. We therefore invite you to enter into without prejudice correspondence, or without prejudice save as to costs, with a view to clarifying precisely which services would fall within the scope of the phrase “travel insurance services”, so that a formal settlement agreement may be reached between the parties. The agreed clarification may then be appended in parentheses to the phrase “travel insurance services”, e.g. “travel insurance services (including ...)”.

We cannot accept your proposal as to costs. The registration of our client's application with a restricted specification would represent a partial success for the Applicant as well as for the Opponents. Our client would, however, be willing to accept a settlement on the basis that each party bears its own costs in the appeal proceedings, as well as in the proceedings below.

12. These letters were copied to me. I asked for clarification as to whether I was or was not being asked to determine the appeal on the basis (cf paragraph 10 of the decision in CARDINAL PLACE Trade Mark BL 0-339-04, 28 October 2004) that the specification of the application in dispute would be: (1) amended to ‘*travel insurance policies and travel insurance services*’ if it was not refused; and (2) refused if it would not be acceptable when amended in that manner.

13. I was subsequently informed that in the absence of any agreement for settlement the Applicant wished me to determine the appeal on the basis of the existing specification of the application in dispute and not on the basis of the restricted specification which it had offered in open correspondence. However, the Applicant’s agents further indicated that:

... in the event that the Appointed Person decides, contrary to the Applicant’s case, that the Opposition should succeed in part (i.e. in relation to some, but not all, of the services set out in the specification), we would respectfully invite the Appointed Person to allow the application in suit to proceed to registration for those services in relation to which the Opposition is unsuccessful (in accordance with Article 13 of First Council Directive 89/104 of 21 December 1988 [1989] OJ L40/1 and the approach taken by the Appointed Person in *NATURELLE Trade Mark* [1999] RPC 326, at 331-332).

### Article 13

14. In accordance with Community (hence United Kingdom) law, Article 13 is binding upon the Registrar of Trade Marks as the person whose task it is to implement the Trade Marks Directive (Council Directive 89/104/EEC) on behalf of the State in Registry proceedings in the United Kingdom. It provides as follows:

Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.

The underlying principle is clear: as and when the need for corrective action arises, the list of goods or services covered by a trade mark application or registration should be reduced so far as necessary to confine it to goods or services for which the trade mark in question is fully registrable. Article 13 does not, in itself, provide the Registrar with the power to take the steps necessary for the attainment of that objective. It sets the agenda for the exercise of the powers available to him under the pertinent provisions of the Trade Marks Act 1994 and the Trade Marks Rules 2000. The operative obligation is an obligation to interpret and apply those provisions so far as possible in conformity with the requirements of Article 13.

15. Article 13 supposes that the Registrar has been called upon:

- (1) to determine whether the list of goods or services covered by the relevant application or registration contains 'objectionable wording' by which I mean wording which covers goods or services that are caught by the objection(s) in issue; the determination must be made on the basis of the wording that the proprietor of the relevant application or registration has chosen to defend against the objection(s) in issue; it should accordingly be clear precisely what wording he is seeking to defend;
- (2) to strike out wording which is found to be objectionable so as to ensure that the list of goods or services does not cover goods or services to which the relevant

application or registration should not extend; that appears to be the required remedy even if less than 100% of the goods or services embraced by the wording in question are within the scope of the objection(s) that are considered to be well-founded: cf Case T-359/99 Deutsche Krankenversicherung AG v. OHIM [2001] ETMR 81, p.919 at paragraphs 32, 33 and Case T-356/00 DaimlerChrysler AG v. OHIM [2003] ETMR 61, p.778 at paragraphs 33 and 36;

- (3) to determine whether the objection(s) in issue can be eliminated by the adoption of narrower wording in lieu of the objectionable wording and, if so, what the narrower wording should be.

So far as I can see, it is both permissible and appropriate for the purposes of Article 13 to require the objector on the one hand and the proprietor of the relevant application or registration on the other to be pro-active in pursuit of their respective interests and concerns in relation to these matters.

16. Procedural autonomy and the need for the proprietor to be pro-active in pursuit of his interests and concerns are both emphasised in the approach to Article 13 proposed by Advocate General Sharpston, in the context of ex officio objections to registration, in her Opinion delivered in Case C-239/05 BVBA Management, Training en Consultancy v. Benelux-Merkenbureau on 6 July 2006:

62. The Directive, as is clear from the third recital in the preamble, does not seek to undertake full-scale approximation. According to the fifth recital, 'Member States also remain free to fix the provisions of procedure concerning the registration' of trade marks. It would seem to be consistent with that freedom for a national system to authorise partial registration (in the sense of registration of

the mark sought but for some only of the goods or services concerned) on condition that the applicant requests it as an alternative to full registration in its application to the competent trade mark authority.

63. That freedom is merely an illustration of the more general principle laid down by the Court that ‘in the absence of Community legislation governing the matter it is for the domestic legal system of each Member State to lay down the detailed procedural rules governing court actions for safeguarding rights which individuals derive from Community law’ (provided of course that the principles of equivalence and effectiveness are respected). In the specific context of trade marks, the Court noted in *Postkantoor* that ‘a court asked to review a decision on an application for a trade mark registration must also have regard to all the relevant facts and circumstances, *subject to the limits on the exercise of its powers as defined by the relevant national legislation*’.

64. It seems to me to be wholly consistent with that case-law for national rules to preclude a court which is reviewing the decision of a trade mark office from ruling on the distinctive character of the mark for each of the goods and services separately. It does not seem unreasonable or unduly onerous to expect a trade mark applicant which wishes to preserve its right to apply for partial registration to make that clear in its application for registration. It is, after all, at that stage that the applicant can best assess its commercial interests (indeed application for registration is likely to be the culmination of a period of assessment) and decide whether, if full registration of the trade mark sought is refused, it would be content with partial registration of that mark for fewer goods or services, or whether it would prefer to make a fresh application for a different mark for more goods or services.

65. The interests of procedural efficiency would also seem to be best served if the question of full versus partial registration is considered at the time of application for registration. A national trade mark is surely a more appropriate forum than an appellate court for the first evaluation of that issue.

66. The Commission considers that the principal argument against the above view is the wording of Article 13 of the Trade Marks Directive, which states that refusal of

registration cannot cover goods other than those for which there are grounds for refusal of registration.

67. That provision must however be read in the light of the overall scheme of the Directive, and in particular the competence it reserves to the Member States to lay down procedural rules. It seems to me that the spirit of Article 13 is accurately reflected provided that national law ensures that trade mark applicants may in the alternative seek partial registration in their application.

68. That interpretation is moreover in my view consistent with the dictum of the Court in *Postkantoor* to the effect that ‘when registration of a mark is sought in respect of an entire class...the competent authority may, pursuant to Article 13 of the Directive, register the mark only in respect of some of the goods and services belonging to that class...’. The Court was there invoking Article 13 as the basis for giving the national trade mark office that (permissive) power. It does not, however, follow that Article 13 imposes a substantive obligation on a trade mark office to contemplate partial registration *ex officio* in all cases. On that basis, there is no conflict with Article 13 if national procedural rules require an applicant who wants the trade mark office to consider partial registration to make that clear in its application. On the contrary, such rules enhance procedural efficiency, are less rather than more cumbersome in the context of the procedure viewed as a whole, and do not make the exercise of Community law rights impossible or unduly difficult.

17. There is no single provision of the Act corresponding to Article 13. The Registrar is empowered to adopt narrower wording in lieu of existing wording under Sections 13, 37(3) and (4), 39(1), 40(1), 45(1), 46(5) and 47(5) of the Act and the associated provisions of the Rules. I do not doubt that his powers can and should be exercised in conformity with the requirements of Article 13, once they have been duly and effectively invoked. It is clear in relation to objections raised *ex officio* by the Registrar that the person responding is required to decide whether he will propose narrower wording with a view to eliminating the relevant objection(s). The Registrar is then required to decide on

the acceptability of any narrower wording that may be proposed. In relation to objections raised adversarially in inter partes proceedings, the Registrar is required to adjudicate fairly and impartially on the matters in issue. He may not act protagonistically towards either side in the dispute: The President of the State of Equatorial Guinea and Another v. The Royal Bank of Scotland International and Others [2006] UKPC 7 (27 February 2006). It seems to me that in adversarial proceedings he would be acting protagonistically towards the objector if he intervened of his own motion to defend the contested application or registration. I therefore consider that he should, in the context of such proceedings, strike out objectionable wording without proceeding to adopt narrower wording for the purpose of eliminating the objection(s) he considers to be well-founded unless that is a matter which has been properly and fairly raised for adjudication. It certainly appears to me that Sections 46(5) and 47(5) of the Act require the matter to be properly and fairly raised if it is to be a live issue in adversarial proceedings of the kind to which those provisions apply.

18. So when and how should the matter be raised? This is an area in which there is a need for greater clarity and consistency of approach. The issues arising were considered by Mr. Richard Arnold QC (in the context of an objection raised ex officio by the Registrar under Section 5(2)(b) of Act) in paragraphs 39 to 59 and 64 to 69 of his decision in Sensornet Ltd's Trade Mark Application BL 0-136-06, 11 May 2006. I agree with Mr. Arnold in thinking that it is appropriate to distinguish between: (1) the Registrar's power to give effect to a legitimate objection by deleting wording from a list of goods or services; and (2) the power that the Registrar also possesses to give effect to legitimate requests for the adoption of narrower wording sufficient to eliminate legitimate

objections. I also agree with him in thinking that the latter power should be invoked sooner rather than later in the proceedings in which the adoption of narrower wording is to be considered. That means sooner rather than later in relation to the final determination of the proceedings in the Registry.

19. The need to work towards a final decision in the Registry has implications which do not always appear to be fully understood. The proceedings may be conducted on the basis that the adoption of narrower wording is a matter which will (if it is a live issue) be considered by the Registrar at the same time as he considers whether the list of goods or services contains objectionable wording that should be struck out. If so, the case for adopting narrower wording will need to be presented in advance of the Registrar's determination of the question whether any wording should be struck out. The proprietor can, if he wishes, identify narrower wording he would prefer to defend and either take or unconditionally agree to take whatever steps might be required for adoption of that wording in lieu of the existing wording. The narrower wording may then be regarded as the wording he has chosen to defend against the objection(s) in issue. If he identifies narrower wording without either taking or unconditionally agreeing to take the steps that might be required for adoption of that wording, he will succeed only in raising a fallback position for consideration in the event that the Registrar decides to uphold the objection(s). If he does not identify any narrower wording, it may be open to question whether he has succeeded in raising a fallback position for consideration by the Registrar. I would add that attempts to pursue these options for the first time on appeal raise questions as to the justice and fairness of permitting that to happen, especially bearing in

mind the limitations on the ability of an appellate tribunal to exercise powers reserved in the first instance to the Registrar.

20. Alternatively, the proceedings may be conducted on the basis that the Registrar will decide whether any wording should be struck out and will in the meantime defer consideration of the question (assuming it to have been raised) whether any and, if so, what narrower wording might legitimately be adopted for the purpose of eliminating the objection(s) in issue. I take the view that it is open to the Registrar to proceed in that manner by stipulating that any decision to strike out wording will be delivered in the form of an interim decision: see Digeo Broadband Inc's Trade Mark Application [2004] RPC 32, p.638 at paragraphs 5 to 9; compare the practice of the Comptroller General in revocation proceedings under Section 72(4) of the Patents Act 1977 as noted in paragraph 72.51 of the CIPA Guide to the Patents Acts 5th Edn (2001) and paragraph 14-40 of Terrell on Patents 16th Edn (2006). However, that is a procedure which should be implemented by the Registrar on due consideration of its appropriateness. In the absence of any settled practice, the Registrar may usefully be asked to appoint a case management conference under Rule 36 or a pre-hearing review under Rule 37 for the purpose of determining whether some such procedure should be implemented in the case in hand. It will not be possible either for the Registrar or an appellate tribunal to re-characterise a final decision as an interim decision after it has been delivered.

21. No special procedure was implemented in the present case. The hearing officer's decision was final, but open to appeal under Section 76. The Opponents appealed. After the appeal had been heard, the Applicant raised a request for Article 13 to be applied so as *'to allow the application in suit to proceed to registration for those services in relation to*

*which the Opposition is unsuccessful*'. The request was contingent upon the appeal being allowed in relation to some, but not all of the services listed in the contested application for registration. If and to the extent that it was a request for the adoption of narrower wording in lieu of objectionable wording, it amounted to a request for the opportunity to pursue a fallback position. The fallback position would need to be identified and the acceptability of it considered in the context of the Registrar's power to give effect to legitimate requests for the adoption of narrower wording sufficient to eliminate legitimate objections. For that to be possible, I would need to remit the opposition to the Registrar for further determination. I have the power to do so. My decision with regard to the exercise of that power in the circumstances of the present case is given below.

#### The Earlier Trade Mark Registrations

22. Numerous earlier trade mark registrations were cited by the Opponents in support of their objections under Sections 5(2)(b) and 5(3) of the Act. I agree with the hearing officer in thinking that their earlier registrations of **CITIBANK** as a trade mark for use in relation to services in Class 36 provided them with their strongest basis for objecting to the application in dispute. The relevant earlier registrations were:

UK Trade Mark Registration 1283067

**CITIBANK**

Filing date: 1 October 1986

Registration: 10 March 1989

Class 36: Banking services (financial) included in Class 36

Community Trade Mark Registration 179531

**CITIBANK**

Filing date: 1 April 1996

Registration: 29 March 1999

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs

The Applicant's Earlier Unregistered Right

23. The hearing officer found that the Applicant could legitimately claim 'due cause' for using **CITYBOND** in relation to '*travel insurance services*' and '*travel bonding*' on the basis of continuous use of that designation for such services since 1985. That finding, which I accept, has implications for the Opponents' objections on relative grounds under Sections 5(2)(b), 5(3) and 5(4)(a).

24. In Case C-245/02 Anheuser-Busch Inc v. Budejovicky Budvar NP [2005] ETMR 27, p.286 at paragraphs 41 et seq. the Grand Chamber of the ECJ re-affirmed that in the field of trade marks (to which the TRIPs Agreement is applicable and in respect of which the Community has already legislated) the judicial authorities of the Member States are required to apply Community legislation and national legislation implementing Community legislation so far as possible in the light of the wording and purpose of the Agreement in that field.

25. The Court went on in paragraphs 86 to 100 to consider the scope and effect of Article 16(1) of the TRIPs Agreement. Article 16(1) refers to the rights conferred by

registration of a trade mark. It provides that the rights thereby conferred 'shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use'. The ECJ ruled as follows:

98. Finally, "priority" of the right in question for the purposes of the third sentence of Art.16(1) of the TRIPs Agreement means that the basis for the right concerned must have arisen at a time prior to the grant of the trade mark with which it is alleged to conflict. As the Advocate General pointed out in point 95 of his Opinion, that requirement is an expression of the principle of the primacy of the prior exclusive right, which is one of the basic principles of trade mark law and, more generally, of all industrial-property law.

99. It should be added that the principle of priority is likewise enshrined in Directive 89/104 and, more specifically, in Arts 4(2) and 6(2) thereof.

100. In light of the above, the answer to the third question must be that a trade name which is not registered or established by use in the Member State in which the trade mark is registered and in which protection against the trade name in question is sought may be regarded as an existing prior right within the meaning of the third sentence of Art.16(1) of the TRIPs Agreement if the proprietor of the trade name has a right falling within the substantive and temporal scope of the TRIPs Agreement which arose prior to the trade mark with which it is alleged to conflict and which entitles him to use a sign identical or similar to that trade mark.

It thus appears that the trade mark registrations identified in paragraph 22 above should be taken to have been granted without prejudice to the Applicant's earlier unregistered right to use **CITYBOND** for '*travel insurance services*' and '*travel bonding*'.

26. In relation to the United Kingdom registration that conclusion is further supported by the combined effect of paragraph 4(2) of Schedule 3 to the Trade Marks Act 1994, which permits continuation after 30 October 1994 of 'any use which did not amount to

infringement of the existing registered trade mark under the old law' and Section 7 of the Trade Marks Act 1938 (as amended in relation to service marks), which provided:

**7 Saving for vested rights**

Nothing in this Act shall entitle the proprietor or a registered user of a registered service mark to interfere with or restrain the use by any person of a service mark identical with or nearly resembling it in relation to services in relation to which that person or a predecessor in title of his has continuously used that service mark from a date anterior-

(a) to the use of the first-mentioned service mark in relation to those services by the proprietor or a predecessor in title of his; or

(b) to the registration of the first-mentioned service mark in respect of those services in the name of the proprietor or a predecessor in title of his;

whichever is the earlier....

The evidence on file discloses no use of **CITIBANK** for '*travel insurance services*' or '*travel bonding*' prior to the date of the United Kingdom registration (1 October 1986).

That left the Applicant with a vested prior right to use **CITYBOND** for such services under Section 7 of the old law.

27. The Applicant was similarly entitled to claim a vested prior right to use **CITYBOND** for '*travel insurance services*' and '*travel bonding*' in accordance with the common law test for resolving claims made on the basis of entitlement through use: see Croom's Trade Mark Application [2005] RPC 2, p.23 at paragraphs 44 to 51.

Distinctiveness and Reputation

28. The hearing officer found that **CITIBANK** and several other designations (i.e. **CITIGOLD**, **CITISELECT**, **CITICARD**, **CITIPHONE**, **CITIWEB** and **CITICORP**) had been used in relation to various financial services in a way that will

have led to them being regarded by the average consumer of such services as part of a 'family of trade marks': paragraphs 72 and 73. He thereby recognised the propensity of consumers in the market for such services to cross-correlate the use of these designations on the basis of experience, expectation or extrapolation (it matters not which) notwithstanding the differences between them. He considered that the designation **CITIBANK** had '*an enormous reputation*' in relation to corporate banking services; paragraphs 74 and 86. Having referred in paragraph 71 to the use of it in relation to '*retail related banking services*' (foreign currency, travellers cheques, annual travel insurance, share dealing, mortgages), he went on to hold in paragraph 74 that it certainly enjoyed the benefit of a protectable goodwill in relation to consumer banking services even though the Opponents' business in such services was '*relatively modest*' in the United Kingdom at the relevant date (7 October 1999). There was evidence indicating that the Opponents operated investment funds under the designations **CITIBOND**, **CITIEQUITY**, **CITISELECT** and **CITIMONEY**, with **CITIBOND** and **CITIMONEY** having been used (in relation to currency and money market funds) only since January 2000: paragraphs 42 and 43. There was also evidence to the effect that **CITIBANK** had been used since about 1992 in relation to building and contents insurance offered through Royal Alliance Plc in connection with the Opponents' mortgage services, since about 1998 in relation to travel insurance offered through UNAT and since about 1998 in relation to personal accident insurance offered through UNAT: paragraphs 45 and 73. In paragraph 75 the hearing officer specifically declined to find that the trade mark was known for insurance services by a significant part of the public concerned:

In relation to insurance services the most that can be said is that the **CITIBANK** trade mark has been used in relation to such services.

It was necessary to give full weight to these considerations when determining whether, in October 1999, use of the designation **CITYBOND** as a trade mark for services of the kind specified in the disputed application for registration would have given rise to consequences of the kind proscribed by Sections 5(2)(b) and 5(3) of the Act.

### Similarity of Services

29. The hearing officer proceeded on the basis that the services of the application in dispute were covered by the specifications of the Opponents' earlier trade mark registration for **CITIBANK**: paragraph 91. It was particularly important to bear in mind that the application for registration in respect of '*insurance services*', '*insurance brokerage*' and '*insurance consultancy*' was apt to cover services provided in areas of saving, borrowing, financing, investment and financial planning where banking and insurance services converge. At the date of the application for registration the Applicant was indeed called Citybond Financial Planning Ltd. Further, as the hearing officer pointed out with reference **CITYBOND**: 'The trade mark consists of the words **CITY** and **BOND** conjoined ... In general financial terms a bond is a certificate of debt issued to raise funds which carries a fixed rate of interest and is repayable at a specified future date': paragraph 81.

### Similarity of Designations

30. I agree with the hearing officer's observations as to the similarity of the designations **CITIBANK** and **CITYBOND** in which he noted that:

‘**BANK** and **BOND** both are terms used in finance ...’  
(paragraph 97)

‘The words **CITY** and **BOND** certainly have individual relevance to finance and financial institutions’ (paragraph 81)

‘... the words **CITY** and **BOND** in combination do present a distinctive character’ (paragraph 82)

‘Both trade marks start with phonetically identical letters. **BOND** and **BANK** share two letters which will be pronounced in the same manner’ (paragraph 95)

‘If [the Applicant’s] trade mark had commenced with **CITI** the case would have been open and shut’ (paragraph 98)

‘**CITI** is not a dictionary word, however, owing to its phonetic identity to **CITY**, it is likely to be seen as misspelling of this word’ (paragraph 94)

‘There can be no mechanical separation of meaning and sound, the perception of the listener is linked to his knowledge of the word’ (paragraph 95)

‘Conceptually, **CITI**, taking into account the services, is still likely to be seen as relating to **CITY**. Consequently, the two first elements are likely to have the same conceptual association’ (paragraph 97)

### The Questionnaire Surveys

31. The Opponents filed evidence of the answers given by interviewees who participated in 2 small scale questionnaire surveys carried out on London Bridge on 24 October 2002. The interviewees were shown a card bearing the word **CITYBOND**. In Survey A, the interviews were conducted in accordance with the following questionnaire:

QUESTIONNAIRE A – CITYBOND  
ALL RESPONSES MUST BE RECORDED VERBATIM

Do not show the interviewee this form

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

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

**Show interviewee card**

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

Who would you think was behind the operation?

*Record the response verbatim under the most applicable heading below*

Citibank/Citicorp Go to Q2

.....

Other Go to Q2

.....

Don't Know Go to Q3

.....

2. Why do you say that?

.....

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

Yes

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



other) evidence that the survey work had provided the Registrar with a body of information from which statistically reliable conclusions could be drawn as to the responses that might have been received if the same questions had been asked of a much larger survey population interviewed on a similar basis: cf O2 Limited and Another v. Hutchison 3G (UK) Limited [2006] ETMR 54, p.673 (Lewison J).

32. In St Trudo Trade Mark [1995] RPC 370 (Ferris J.) it was held that the strict rules of evidence apply in proceedings before the Registrar. The evidence relating to the survey interviews was therefore admissible in accordance with Sections 1 and 11 of the Civil Evidence Act 1995:

**Admissibility of hearsay evidence**

1. (1) In civil proceedings evidence shall not be excluded on the ground that it is hearsay.
- (2) In this Act –
  - (a) “hearsay” means a statement made otherwise than by a person while giving oral evidence in the proceedings which is tendered as evidence of the matters stated; and
  - (b) references to hearsay include hearsay of whatever degree.
- (3) Nothing in this Act affects the admissibility of evidence admissible apart from this section.
- (4) ....

...

**Meaning of “civil proceedings”**

11. In this Act “civil proceedings” means civil proceedings, before any tribunal, in relation to which the strict rules of evidence apply, whether as a matter of law or by agreement of the parties...

These provisions give effect to the principle that in civil proceedings it is generally preferable to admit hearsay evidence and let the tribunal attach to the evidence whatever

weight may be appropriate, rather than exclude it altogether: Polanski v. Condé Nast Publications Ltd [2005] UKHL 10 (10 February 2005) at paragraph 36 per Lord Nicholls of Birkenhead.

33. The need for circumspection in the assessment of questionnaire survey evidence is well-understood. The concern is that to a greater or lesser degree: *“Interviews and questionnaires intrude as a foreign element into the social setting they would describe, they create as well as measure attitudes, they elicit atypical roles and responses, they are limited to those who are accessible and will co-operate and the responses obtained are produced in part by dimensions of individual differences irrelevant to the topic at hand”* (Webb, Campbell, Schwartz and Sechrest Unobtrusive Measures (Revised Edition, 2000) Sage Publications Inc.). There is, accordingly, a practical requirement for information relating to the structure, method and results of questionnaire surveys to be full enough to enable the strengths and weaknesses of the research work to be evaluated: Imperial Group Plc v. Philip Morris Ltd [1984] RPC 293 at 302, 303 (Whitford J.).

34. If the research work provides no sufficient or proper basis for extrapolation, the responses of individual interviewees can really only be taken into account for what they may individually be thought to be worth. That may be little or nothing. This was forcefully pointed out by the Full Court of the Federal Court of Australia in Arnotts Ltd. v. Trade Practices Commission (1990) 97 ALR 555 where the Court observed at p.606:

One theoretical possibility, in a case like the present, would be for a party to call such of the 1200 respondents to the Roy Morgan survey as were contactable. This course would have the advantage of providing a fairly selected group of witnesses, subject to any distortion which might be caused

by difficulties in locating respondents. But it would add enormously to the cost and duration of a trial.

The second possibility would be for a party to call evidence from a lesser number of selected witnesses. This course was taken in *Ritz*. The plaintiff there called 152 members of the public. The majority of these witnesses were stopped in a public place by a representative of the plaintiff and questioned as to the significance to them of the word “Ritz”. It seems that those who gave answers favourable to the plaintiff’s case were asked to give evidence. Those who did not, were not. As a result, the evidence of these persons was of negligible value. All that it established was that, with the expenditure of sufficient effort and money, 152 people could be found somewhere in Australia who claimed to associate the word “Ritz” with the plaintiff. The 152 witnesses were not a fair sample of the general public; so that, as McLelland J noted (NSWLR at 215) there was “no ground in the evidence for any extrapolation on a statistical basis, or on the basis of any mathematical or logical probability, of the views of the ‘public’ witnesses (or any selection from them) as representing the views of the relevant class of the Australian public or a significant section of that class”. The plaintiff was not even willing to reveal the total number of persons interviewed; for all the judge knew, the persons who associated the word “Ritz” with the plaintiff may have been a tiny minority. The tender of such partisanly selected evidence was an absurdity.

35. In paragraphs 87 to 89 of his decision, the hearing officer held that the survey work in the present case lacked validity. He concluded his evaluation of it in the following terms:

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

Whilst I entirely agree that the survey work did not measure up to the standards required for the purposes of statistical analysis, the evidence relating to the survey does not appear to me to have been put forward for consideration on that basis. It was, as I see it, put forward for the purpose of demonstrating that in the context of questions relating to insurance services, including travel insurance services, **CITYBOND** had the capacity to trigger perceptions and recollections linked to **CITI** (plus financial suffix) marks. At any rate the Opponents adopted the position in paragraph 4.2.4 of their Grounds of Appeal and in their oral submissions at the hearing before me that the survey evidence was not relied upon for statistical purposes.

36. To be blunt about it, the evidence essentially amounted to 59 hearsay statements taken at random, three years after the relevant date, from people with no confirmed knowledge or experience of any relevance, in order to see who they might suggest was *'behind the operation'* if they encountered **CITYBOND** being used as a trade mark in relation to *'insurance services'* or *'travel insurance services'*. I note that the hearing officer did, in fact, refer to the answers given by interviewees in support of the conclusion he reached in paragraph 81 of his decision. Having myself considered the answers given by the interviewees, I think he could also have recognised that they provided a measure of support for his conclusions on the points I have identified in paragraph 30 above. Beyond that, I do not think that the survey evidence carried the opposition any further forward.

#### Section 5(2)(b)

37. It is settled law that there is a likelihood of confusion where the public can be mistaken as to the origin of the goods or services in question; and that applies where there

is 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: Case C-39/97 Canon KK v. Metro-Goldwyn-Mayer [1998] ECR I – 5507, paragraphs 26 and 29.

38. The likelihood of confusion can sometimes be dismissed on the basis of the ‘missing ingredient’ approach to assessment adopted in Case C-106/03P Vedial SA v. OHIM [2005] ETMR 23, p.232 on appeal from Case T-110/01 Vedial SA v. OHIM [2002] ECR II-5275.

39. In that case the CFI decided (with emphasis added) as follows:

62....When the targeted public encounters goods identified by the mark claimed, which displays visual, aural and conceptual dissimilarities to the earlier mark, it will not attribute the same commercial origin to the goods in question. Consequently, there is no risk that the targeted public might link the goods identified by each of the two marks which evoke different ideas.

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

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

65. According to the case law of the Court of Justice, the likelihood of confusion presupposes that the signs as well as the goods and services covered are identical or similar, and the reputation of a mark is a factor which must be taken into account when determining whether the similarity between the signs or between the goods and services is sufficient to

give rise to a likelihood of confusion (see, to that effect, *Canon*, paras [22] and [24]). However, since, in this case, the conflicting signs cannot in any way be regarded as identical or similar from the visual, aural or conceptual points of view, the fact that the earlier mark is widely known in France cannot alter the global assessment of the likelihood of confusion.

66. It is clear from the foregoing that one of the essential conditions for applying Art.8(1)(b) of Regulation No. 40/94 has not been satisfied. It therefore follows that the Board of Appeal was right in finding that there is no likelihood of confusion between the mark claimed and the earlier mark.

40. In his Opinion delivered on 15 July 2004 Advocate General Ruiz-Jarabo Colomer observed (with emphasis added):

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

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

61. This argument must be rejected, for reasons similar to those set out in respect of the first complaint: the Court of First Instance considered that the signs display no similarity and the appellant has not properly challenged on this premiss. Therefore, it is pointless to investigate the circumstances in which two different signs may give rise to a likelihood of confusion.

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

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

41. The ECJ subsequently held (with emphasis added) as follows:

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 Vedral's claim, the Court of First Instance did not rely on the visual, aural and conceptual differences

between the earlier mark and the mark applied for in deciding that there was no likelihood of confusion.

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

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

42. I have quoted these paragraphs at length because the hearing officer cited them in full in support of his conclusion that the Opponents' objection under Section 5(2)(b) should be rejected. However, the passages I have underlined show that the objection in Vedial was held to be a non-starter on the basis that '*the marks could in no way be regarded as identical or similar*' and '*there was no similarity between the earlier mark and the mark applied for*' with the Court explicitly affirming that it '*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*' The marks in issue in that case were the opponent's word mark:

#### **SAINT-HUBERT 41**

and the applicant's figurative mark:



So what was it that persuaded the Court to proceed on the stated basis that there was no similarity between the earlier mark and the mark applied for (the ‘missing ingredient’ basis)? Given that the element **HUBERT** was present in both marks, the answer can only have been the perceived absence of any ‘*independent distinctive role*’ performed by the word **HUBERT** (see Case C-120/04 Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH [2006] ETMR 13, p.164 at paragraphs 29 et seq.) plus the perceived absence of any similarity between the blend of meaning and significance presented by the elements of each mark taken as a whole.

43. My concern with regard to the hearing officer’s reliance on Vedial is that I do not see the relevance of it to the present case. It seems to me that the hearing officer’s conclusions on the points I have identified in paragraph 30 above precluded a finding of ‘no similarity’ in relation to the designations **CITIBANK** and **CITYBOND**. I therefore think that they rendered the ‘missing ingredient’ approach to assessment inapplicable to this case. Moreover, the hearing officer does not appear to have been consistent in his approach to the question of similarity between the designations **CITIBANK** and **CITYBOND**. First, there are the conclusions he expressed on the points identified in

paragraph 30 above. Second, there are the observations in paragraph 102 of his decision which appear to confirm that he regarded the designations as similar to a degree which rendered the ‘missing ingredient’ approach to assessment inapplicable:

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

the distinctiveness of the earlier trade mark – which enjoys a good deal of distinctiveness in the financial sphere through reputation;

the degree of similarity between the trade marks;

the identity of the services;

the nature of the services and the subsequent purchasing decision;

the average consumer for the goods involved;

that trade marks are seldom compared directly and the potential purchaser may be prey to imperfect recollection.

Third, there are the observations in his decision in which he appears to decide that there was no similarity between the designations:

I do not consider the words phonetically similar despite the areas of coincidence (paragraph 95)

...in this case there is the strange ‘i’ in Corp’s trade mark. This for me stands out, it blazes at the eye. Its variation from the norm makes it a visually distinctive and dominant component in the trade mark. It makes **CITIBANK** distinctively different from **CITYBOND** (paragraph 96).

Considering the respective trade marks in their entireties I am of the view that they are not conceptually similar (paragraph 97).

I have decided that the trade marks are not similar in relation to section 5(2)(b), the same analysis as to similarity applies

[in relation to section 5(3)]. Owing to the absence of similarity no 'link' will be made, neither will there be any effect on the relevant public's economic behaviour (paragraph 107).

However, the absence of similarity of the trade marks means that there will not be confusion or deception and so the grounds of opposition must fail under [section 5(4)(a)] also. (paragraph 113).

44. The latter observations do not appear to me to coincide with the observations in paragraph 102 of the decision or his conclusions on the points I have identified in paragraph 30 above. If, as the hearing officer acknowledged, the Opponents would have had an open and shut case against an attempt by the Applicant to register **CITIBOND** for the services in issue and if, as he also acknowledged, **CITI** is likely to be seen as a misspelling of **CITY** and to be conceptually associated with **CITY**, there would seem to be a clear case for saying that **CITYBOND** and **CITIBOND** each had the capacity to trigger similar perceptions and recollections in the minds of people already acquainted with the use of **CITIBANK** for the same or relevantly similar services. I think there was a real risk that these 8-letter **CITI/CITY** plus **BANK/BOND** word expressions would, if they were used in relation to kindred services, be regarded as kindred marks used directly or indirectly under the control of one and the same undertaking. That, to my mind, is consistent with the acknowledged propensity of consumers in the relevant sector to cross-correlate the use of the designations which the hearing officer identified as belonging to the 'family of trade marks' controlled by the Opponents. Moreover, to adopt the position that **CITYBOND** must be spelled as **CITIBOND** before there could be any encroachment upon the distinctiveness and reputation of **CITIBANK** would be to adopt the position that **CITYBOND** could be used in relation to banking services of all kinds

without interfering with the Opponents' use of **CITIBANK** for banking services, a proposition for which I can see no sustainable basis in the evidence or in the hearing officer's decision.

45. I consider that the hearing officer was required to determine the Opponents' objection under Section 5(2)(b) on the orthodox basis of a global assessment, taking account of all relevant factors including the so-called principle of interdependence as affirmed and re-affirmed in the case law of the ECJ. For the reasons I have given, I am left with the impression that he did not fully and correctly apply the required approach. In paragraphs 14 to 31 of my decision in De Longhi SPA's Trade Mark Applications BL 0-144-05, 20 May 2005 I drew attention to the considerations which appear to me to be material to the overall assessment of an objection under Section 5(2)(b). On applying those considerations to the Opponents' objection in the present case, I think that the matters I have referred to in paragraphs 28 to 30 and 44 above should have led the hearing officer to conclude that there were similarities (in terms of marks and services) that would combine to give rise to a likelihood of confusion in the event of concurrent use of **CITIBANK** and **CITYBOND** in relation to services in those areas where banking and insurance services converge (saving, borrowing, financing, investment and financial planning) for which they were respectively registered and proposed to be registered. The objectionable wording in the list of services the Applicant chose to defend would, on that basis, be '*insurance services*', '*insurance brokerage*' and '*insurance consultancy*'. Such wording appears to me to encompass trading activities in the areas I have mentioned. I therefore consider that it should be struck out in response to the objection under Section 5(2)(b). I think that the remainder of the Applicant's list of services should stand on the

basis that the wording does not encompass trading activities in areas in which use of **CITYBOND** would appear to have the capacity to encroach upon the distinctiveness and reputation of **CITIBANK**. I also think it should be regarded as unobjectionable on the basis of the Applicant's earlier unregistered right to use **CITYBOND** for such services.

### Section 5(3)

46. The hearing officer rejected the Opponents' objection under Section 5(3): (1) upon the basis that the objection failed '*owing to the absence of similarity*' between **CITIBANK** and **CITYBOND**: paragraph 107; this reiterated the 'missing ingredient' approach to assessment of the objection under Section 5(2)(b); and (2) upon the basis that the Applicant could legitimately claim 'due cause' for using **CITYBOND** in relation to '*travel insurance services*' and '*travel bonding*': paragraph 109.

47. I think he was required in relation to the objection under Section 5(3) no less than in relation to the objection under Section 5(2)(b), to determine the objection on the orthodox basis of a global assessment, taking account of all relevant factors including the so-called principle of interdependence as affirmed and re-affirmed in the case law of the ECJ. In relation to the objection under Section 5(3), as in relation to the objection under Section 5(2)(b), I am left with the impression that he did not fully and correctly apply the required approach. In paragraphs 98 to 103 of my judgment in Electrocoin Automatics Ltd v. Coinworld Ltd [2005] FSR 7, p.79 I drew attention to the considerations which appear to me to be material to the overall assessment of an objection under Section 5(3). On applying those considerations to the Opponents' objection in the present case, I think that the matters I have referred to in paragraphs 28 to 30 and 44 above should have led the

hearing officer to conclude that there were similarities (in terms of marks and services) that would combine to give rise to encroachment upon the distinctiveness and reputation of **CITIBANK** in the event that **CITYBOND** was used in relation to services in those areas where banking and insurance services converge (saving, borrowing, financing, investment and financial planning) for which they were respectively registered and proposed to be registered. It appears to me that use of **CITYBOND** in those areas would take unfair advantage of the distinctive character and repute of **CITIBANK** if it was liable (as I consider it was) to give rise to the existence of a likelihood of confusion. The objectionable wording in the list of services which the Applicant chose to defend would on that basis be *'insurance services'*, *'insurance brokerage'* and *'insurance consultancy'*. Such wording appears to encompass trading activities in the areas I have mentioned. I therefore consider that it should be struck out in response to the objection under Section 5(3). For completeness I should record that I was not pressed at the hearing of the appeal to go into the question whether the objection under Section 5(3) should succeed even if use of **CITYBOND** for services of the kind specified by the Applicant would not be liable to give rise to the existence of a likelihood of confusion.

48. I think that the remainder of the Applicant's list of services should stand on the basis that the wording does not encompass trading activities in areas in which **CITYBOND** would appear to have the capacity to encroach upon the distinctiveness and reputation of **CITIBANK**. In addition I agree with the hearing officer in thinking that the wording should be regarded as unobjectionable on the basis of the Applicant's earlier unregistered right to use **CITYBOND** for such services.

#### Section 5(4)(a)

49. The hearing officer rejected the Opponents' objection under Section 5(4)(a): (1) upon the basis that the objection failed by reason of '*the absence of similarity of the trade marks*' paragraph 113; this reiterated the 'missing ingredient' approach to assessment of the objection under Section 5(2)(b); and (2) upon the basis that the Applicant could legitimately claim an established common law right to use **CITYBOND** in relation to '*travel insurance services*' and '*travel bonding*' having used that designation for such services continuously since 1985.

50. I see no reason to think that the outcome of the objection under Section 5(4)(a) should be any different from the outcome of the objection under Section 5(2)(b). I agree with the hearing officer in thinking that the Applicant could legitimately claim an established common law right to use **CITYBOND** for '*travel insurance services*' and '*travel bonding*'.

#### Interim or Final Order

51. In view of the conclusions I have reached in relation to the substantive grounds of appeal, it will be necessary for Application No. 2210663 to be remitted to the Registrar for further processing. I have paused long and hard over the question whether my decision to strike out the wording I have found to be objectionable should be interim or final. If I make an interim order allowing the Applicant a specified period of time within which to put forward narrower wording for the purpose of eliminating the objections I have upheld, that will (judging by the open correspondence I have referred to above) lead to further wrangling in the remitted opposition and consequently increased costs and

delay in bringing it to a final conclusion. That is not something I can contemplate with equanimity in relation to an application for registration that has been pending since October 1999. It also troubles me to see the Applicant suggesting that it might be willing to restrict its list of services to *'travel insurance policies and travel insurance services'*, but at the same time suggesting that the inherently uncertain ambit of the phrase *'travel insurance services'* (which was in the list from the beginning) may lead to further difficulties in future. I am additionally concerned that, voluminous though it is, the evidence already on file may be said by one or both sides to require supplementation for the purpose of addressing any forthcoming request for adoption of narrower wording, thus leading to requests for permission to file further evidence in the remitted opposition. The evidence already filed in response to the Opponents' objections demonstrates that in 1999 the Applicant had an established commercial interest in the use of **CITYBOND** for *'travel insurance services'* and *'travel bonding'*. The same cannot be said in relation to the use of **CITYBOND** for insurance services more generally. I am left with the impression that analysis of the acceptability of any narrower wording that might now be put forward for adoption in lieu of the objectionable wording would be more theoretical than real from a commercial point of view. I do not overlook the fact that the Applicant was entirely successful in its defence of the opposition proceedings in the Registry and that it was accordingly in possession of the legal high ground pending appeal. That makes it easier to accept the lateness of the Applicant's fallback request under Article 13. In the end, however, I have come to the conclusion that the correct, fairer, cheaper and kinder course in the present case will be to avoid further disputation and delay. I shall therefore order the wording I regard as objectionable to be finally and unconditionally

struck out. That is the basis on which the application will be remitted to the Registrar for further processing.

### Costs

52. The Applicant has successfully resisted the Opponents' objections to registration on absolute grounds. It has successfully resisted the Opponents' objections on relative grounds in relation to its application for registration of **CITYBOND** in respect of '*travel insurance services*' and '*travel bonding*'. The Opponents have succeeded in their objections on relative grounds in relation to the application for registration of **CITYBOND** in respect of '*insurance services*,' '*insurance brokerage*' and '*insurance consultancy*'. I think that the Applicant defended more than it needed to defend from a commercial point of view and that the Opponents persisted in their objections without sufficient regard for the Applicant's earlier unregistered right to use **CITYBOND**. In substance the end result appears to me to be a 'score draw'. I therefore consider that it would be just and fair for each side to bear their own costs of the Registry proceedings and the appeal.

### Summary

53. In summary:

- (1) the appeal will be allowed in relation to the Opponents' objections to registration on relative grounds;
- (2) the hearing officer's decision in relation to those objections will be set aside;
- (3) the hearing officer's order for costs will be set aside;

- (4) the following wording will be unconditionally and finally struck out of the list of services in Application No. 2210663: '*insurance services*', '*insurance brokerage*' and '*insurance consultancy*';
- (5) Application No. 2210663 will be remitted to the Registrar for further processing in accordance with the Act and the Rules;
- (6) the Applicant and the Opponents will each bear their own costs of the opposition proceedings in the Registry and of the appeal brought under Section 76 of the Act.

Geoffrey Hobbs QC

7 July 2006

Mr Ian Silcock instructed by Messrs Marks & Clerk appeared as Counsel on behalf of the Applicant.

Mr James Mellor instructed by Messrs F J Cleveland appeared as Counsel on behalf of the Opponents.

The Registrar was not represented.