

O-212-06

**APPLICATION No 2271707 BY TIMOTHY MICHAEL WEST
TO REGISTER THE TRADE MARK
SWORDS
IN CLASSES 36 AND 42**

**AND OPPOSITION No 80284
BY ANGUS HUDSON**

Background

1. On the 5 June 2001, Timothy Michael West applied to register the word SWORDERS as a trade mark for:

Class 36:

Real estate agencies; real estate appraisal; real estate brokers; real estate management; leasing of real estate; renting of apartments and flats; renting of houses; rental of offices; rental of commercial premises; apartment house management; housing agents; property management services; all excluding agricultural real estate services.

Class 42:

Land surveying for residential and commercial property; surveying residential and commercial buildings; all excluding agricultural surveying.

2. On 23 October 2001, Angus Hudson filed a Notice of Opposition to the proposed registration. The grounds of opposition are, in summary, that in partnership with one Vernon Muskett, the opponent has provided the services of land agents, estate agents, surveyors, auctioneers and valuers under the name Sworders since 1989, and has acquired a protectable goodwill under that name.

3. The opponent acknowledges that the applicant's business has common roots to his own. Both businesses emerged from a five way splitting of a long established business called G E Sworder & Sons, which had carried on the sorts of services described above since the 18th century. This division of the business occurred in 1989. However, the opponent pleads that the applicant is only the successor to that part of the original business which constituted a general estate agency based in Sudbury, Suffolk, and which was subject to a restriction that it would trade under the name Sworders (Suffolk).

4. Consequently, the opponent claims that use of the mark Sworders by the applicant for the services applied for would amount to passing off and therefore be contrary to law. It follows that registration of the mark would be contrary to s.5(4)(a) of the Trade Marks Act.

5. The applicant denies that his use of the name Sworders for the services applied for would amount to passing off. In particular, the applicant states that:

- i) he is the successor in business to a general estate agency which has carried on business under the name Sworders for many years, both before and after the splitting up of the business called G E Sworder & Sons;
- ii) the opponent is (at most) a successor in the business of agricultural estate agents and agricultural surveyors, which constituted the agricultural division of G E Sworder & Sons;

- iii) such a business is wholly distinct and separable from the business of a general practice estate agency;
- iv) the opponent has only recently sought to expand his business out of his primary agricultural business into general practice estate agency not connected with his primary business;
- v) the opponent's business is known as Sworders Agricultural;
- vi) following the splitting of the original business in 1989, the opponent was, until 1997, co-located with another part of the original business which carried on a general practice estate agency under the name G E Sworder in the same area, namely Bishop's Stortford;
- vii) during this period there was a clear understanding that Sworders Agricultural did not hold itself out as being a general estate agency nor deal with the sale of residential properties, and relevant enquiries were referred to the co-located general estate agency business;
- viii) consequently, the opponent has no legal right to prevent the applicant from using the mark Sworders in relation to the services applied for.

6. Both sides seek an award of costs.

7. The matter came to be heard on 26 and 27th of April 2006 when the applicant was represented by Mr Michael Silverleaf Q.C., instructed by Phillips and Leigh, Trade Mark Attorneys, and the opponent was represented by Miss Charlotte May of Counsel, instructed by Olswang, Solicitors.

Application to Amend the Pleadings – The ‘Special Effects’ Factor

8. The day before the hearing an application was made to amend the opponent's case by adding further grounds of opposition. The proposed further grounds of opposition were that the applicant's mark was devoid of any distinctive character (s.3(1)(b) of the Act), was deceptive (s.3(3)(b)) and was applied for in bad faith on two different bases (s.3(6)).

9. On behalf of the opponent, Miss May submitted that the late amendment had become necessary because of a combination of factors. Firstly, shortly before the hearing the applicant had been asked about his position in relation to a geographical limitation of his application under s.13(1)(b) of the Act. The applicant's attorneys had responded to the opponent's enquiry by stating that the applicant had no intention of applying to limit his application, but reserved his position in the event that the Registrar offered to register the mark subject to such a limitation. Secondly, in the recent case of *Special Effects Limited v L'Oreal (UK) Limited*, [2006] EWHC 481, the Chancellor of the High Court, Sir Andrew Morritt, held that where a party to opposition proceedings fails and is later sued for infringement, it is not open to him to seek to invalidate the (now) registered mark either on the basis of the grounds he relied upon in the opposition, or on the basis of other grounds which he should have relied upon in the opposition but did not. The unsuccessful opponent may be

prevented from doing so by a cause of action estoppel, or an issue estoppel, or because such a course may amount to an abuse of process.

10. Miss May submitted that the Chancellor's judgment had radically changed the law from the previous accepted approach whereby an unsuccessful opponent could still seek to invalidate the mark after it was registered. The effect of the *Special Effects* judgment was to require the opponent to bring forward grounds that could be used to invalidate the proposed registration, even if the existing ground of opposition was able to be overcome by the introduction of a geographical limitation. According to Miss May, the additional grounds of opposition only amounted to the addition of the legal consequences of matters which had already been canvassed and addressed in the parties' evidence. Consequently, if the application to amend was allowed there should be no need for an adjournment of the hearing and no prejudice to the applicant.

11. Mr Silverleaf submitted that the application to amend the opponent's pleadings should be rejected because:

- i) the judgment in *Special Effects* had been published over a month earlier but the applicant had only been given 48 hours notice of the application to amend;
- ii) contrary to the opponent's submission, the matters raised were not simply the legal consequences of matters already addressed in the evidence and would require an adjournment for further evidence;
- iii) there is no satisfactory explanation as to why the new claims had not been put forward at the outset of the proceedings or, in any event, much earlier;
- iv) even before the judgment in *Special Effects* an opponent was under an obligation to advance all the grounds of opposition upon which he sought to rely;
- v) it appears that the opponent decided not to rely upon the new grounds because he thought he could bring them up later if necessary;
- vi) the original decision was an abuse of process, which should not be condoned by permitting another one.

12. Having seen Mr Silverleaf's supplementary skeleton argument (which made the above points), the opponent filed a witness statement from Mr Joel Anthony Barry, who is a partner at Olswang solicitors. He conducts the opposition proceedings on behalf of the opponent. Mr Barry states that:

- i) the opponent pleaded his case in a proportionate manner relying upon his unregistered trade mark rights;
- ii) the opponent did not do so with the intention of raising other claims at a later date;

- iii) the application to amend was made as soon as possible;
- iv) it is common in litigation for the main preparation to be made in the run up to the hearing date – indeed to do so earlier can lead to wasted time and costs;
- v) the amendment was first considered the previous Thursday (6 days before the hearing) during the preparation for the hearing;
- vi) there would have been no need for the amendment if the applicant's trade mark attorneys had indicated that they would not accept a geographical limitation.

13. Although the Trade Mark Rules provide no express provision permitting an opponent to amend his grounds of opposition it is common ground that the Registrar has an inherent power to permit such an amendment.

14. Having considered the parties' submissions, I permitted the opponent to add one further ground of opposition; namely, that the application had been made in bad faith in relation to the opponent. This was pleaded as being because:

- i) the applicant knew about, or had ready access to knowledge of, the assignment to the opponent's business of exclusive rights to use the name SWORDSERS;
- ii) even if he was unaware before 2001 of the opponent's activities in relation to estate agency under the name SWORDSERS, he was aware of them after the opponent's visit to his offices in around May 2001;
- iii) at the very least, the May 2001 meeting was enough to put the applicant on notice that he should make enquiries about the nature of the opponent's business before applying to register SWORDSERS as a trade mark;
- iv) the applicant knew when he made the application that it was for a monopoly that would adversely affect the opponent's business, e.g. advertising on a national scale;
- v) even if the applicant did not recognise the potential for prejudice to the opponent's business, a reasonable and experienced estate agent, knowing what the applicant knew, would not have considered the application to be commercially acceptable behaviour;
- vi) a geographical limitation cannot overcome bad faith.

15. I permitted this amendment because I considered that the matter at issue had, to some extent, already been canvassed in the written evidence because it was factually ancillary to the opponent's claim to possess a passing off right. Further, both the applicant and the opponent had made themselves available for cross examination at the hearing. Consequently, I took the view that allowing the amendment was unlikely

to require an adjournment of the substantive hearing. I therefore considered the risk of prejudice to the applicant to be small, and less than the potential prejudice to the opponent in being denied the opportunity to run this ground of opposition.

16. I rejected the proposed amendment of the opposition so as to add objections under s.3(1)(b) and 3(3)(b) of the Act. I rejected the first of these amendments because:

- i) the lateness of the request and the fact that (contrary to the opponent's contention) the point had not really been canvassed in the written evidence meant that the applicant would, if the amendment were allowed, have a justified complaint of being ambushed with a wholly new issue, and consequently the substantive hearing would have had to have been postponed or adjourned;
- ii) an adjournment would, of itself, cause prejudice to the applicant in circumstances where his application had already been pending for nearly five years and opposed for four and half of those years (in this connection, see *Du Pont Trade Mark* [2004] FSR 15 at paragraph 20);
- iii) the opponent's explanation for the lateness in making the request was unsatisfactory;
- iv) there did not appear to me to be any seriously arguable legal basis for the claim.

17. The last point requires some explanation. Section 3(1)(b) of the Act states that trade marks which are "devoid of any distinctive character" shall not be registered. The European Court of Justice (ECJ) has held that for a trade mark to possess a distinctive character it must be capable of distinguishing the goods or services of one undertaking from those of other undertakings. A summary of the relevant case law can be found in Kerly 14th ed., at paragraph 8-026. In essence a trade mark must have this capacity to distinguish the goods or services of an undertaking at the time at which it is put forward for registration.

18. The word *SWORDERS* is *prima facie* a perfectly good trade mark. It is not descriptive of estate agency or surveying services and used in relation to those services it could not be taken as anything other than a trade mark. It therefore appears to retain the capacity to distinguish the goods of an undertaking. Indeed the opponent claims that, at least in the area in which he trades, it is an unregistered trade mark which is distinctive of him. The opponent's proposed claim was that because there appears to have been several users of that trade mark without formal licensing arrangements, the mark is no longer distinctive. That appears to me to mix up the absolute grounds for refusal in s.3(1)(b), which go to the question of whether the word *Sworders* has the character of a trade mark, with the relative grounds for refusal and the provisions governing infringement and defences set out in ss.5, 9, 10 and 11, which are concerned with who is entitled to register and use it.

19. I do not believe that the ECJ's statements as to the meaning of "distinctive character" should be read as meaning that once there are shown to be two or more users of the same or similar trade mark for the same or similar goods or services in

some part of the territory in which registration is sought, then the trade mark should be regarded as being devoid of any distinctive character. That would be an extraordinary result which would turn the language of s.3(1)(b) (“devoid of any distinctive character”) on its head and make redundant s.23(3), which gives co-proprietors certain rights to act independently of each other. It would also make a nonsense of s.11(3) of the Act and article 107 of the Community Trade Mark Regulation, which expressly envisage (valid) national and Community trade marks co-existing with earlier unregistered marks in particular localities. In the case of the latter, the existence of an earlier, but merely local, unregistered trade mark is expressly excluded as a ground for objecting to, or invalidating, the registration of the trade mark (see articles 8(4) and 52(1)(c)). That would make no sense if concurrent use of the mark prior to the date of the application was sufficient to invalidate the registration on lack of distinctiveness grounds. I acknowledge that there may be situations in which the same mark is adopted by many different undertakings in different localities with the result that the relevant public cease to rely upon it as being able to distinguish the goods or services of one undertaking without further means of identification. The ‘Red Cow’ for public house services springs to mind. However, the facts in this case are far removed from that situation.

20. A similar claim was made in *Associated Newspapers Limited v Express Newspapers* [2003] FSR 51 (see paragraph 55 of the judgment) in relation to the registration of the words ‘The Mail’ for newspapers, but the judge in that case, Mr Justice Laddie, also rejected it.

21. The opponent’s claim that the applicant’s mark is “of such a nature as to deceive the public” is essentially the flipside of the claim of lack of distinctiveness. I rejected the addition of this claim because:

- i) the opponent’s explanation for the lateness in making the request was unsatisfactory;
- ii) it was not necessary to test the question of whether the applicant’s use was deceptive, which was already in issue as part of the existing passing-off right claim;
- iii) there did not appear to me to be any seriously arguable legal basis for the claim.

22. The last point again requires some explanation. Section 3(3)(b) of the Act implements article 3(1)(g) of the Trade Mark Directive 104/89. It necessarily has the same meaning as that article. The provision is directed at deception which arises as a result of the nature of the mark itself (when contrasted with the goods or services for which registration is sought). The purpose of the provision is consumer protection – see paragraph 46 of the judgment of the ECJ in Case C-259/04, *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* – rather than the protection of earlier unregistered rights. Consequently, there can be (some kinds of):

“ ...conduct which might be held to be fraudulent but which could not be analysed as deception for the purposes of Article 3 of Directive 104/89 and which, for that reason, would not affect the trade mark itself and,

consequently, its prospects of being registered.” (paragraph 50 of the judgment in the *Emanuel* case).

23. Put simply, s.3(3)(b) cannot be used as a legal basis for objections based on earlier unregistered trade marks, which fall to be considered solely under s.5(4)(a) of the Act (corresponding to article 4(4)(b) of the Directive).

24. Although I permitted the applicant to add a ground of opposition under s.3(6) on the basis that the application was made in bad faith in relation to the opponent, I rejected a second request to add a further ground of opposition under this head on the basis that the application was made in bad faith in relation to the owners of another of the surviving parts of the original Sworders business: a Mr and Mrs Hall, who operate a general estate agency under that name in Bury St Edmonds.

25. There is evidence that the applicant and the Halls co-operate and jointly advertise under the SWORDERS name, and the applicant claims that a licence arrangement has been agreed to regularise the position once the mark is registered. Nevertheless, Miss May sought to persuade me that I could determine the matter on the evidence as it stood and without any evidence from the Halls themselves. Not surprisingly, Mr Silverleaf took a different view of the matter and made it clear that should this ground be admitted, he would seek an adjournment of the hearing so that evidence could be introduced from the Halls, along with further evidence from the applicant.

26. In my judgment, if this ground had been admitted, there would have been no alternative but to adjourn the hearing for further evidence. That would have meant further potentially significant delay and therefore potential prejudice to the applicant. The Halls themselves have not objected to the proposed registration. Miss May pointed out that the question of whether the applicant had acted in bad faith in relation to the Halls would fall to be assessed objectively by reference to the standards of conduct observed by reasonable and experienced men and women in the relevant field of business. Accordingly the Halls’ reaction (or lack of it) to the application need not be decisive. I accept that point as far as it goes, but I have been given no reason to believe that Mr and Mrs Hall are not reasonable and experienced people and it seems very possible that there are good reasons why the Halls have not themselves objected to the application.

27. In any event, it appeared to me that the opponent’s attempt to make this obviously tactical use of the applicant’s supposed bad faith to the Halls in order to bring a significantly different case against the applicant, just a day before the substantive hearing of an opposition which had already been running for four and half years, should be rejected.

28. I do not accept that the *Special Effects* judgment represents the radical change to the law that Miss May suggests. As Mr Silverleaf pointed out, parties have always been under a duty to bring forward their full case at the earliest possible time. Nevertheless, I do accept that the *Special Effects* judgment represents a tightening of the law in this area, and one that plainly has the potential to raise the stakes in opposition proceedings.

29. Against this background, it seems to me that the Registrar should lean even further in favour of allowing opponents to amend their cases in order that they can run any further grounds that may be available and which have at least some merit. However, it is still necessary to avoid prejudice and unnecessary inconvenience to applicants, and to discourage the inefficient conduct of proceedings. There can therefore be no blank cheque to opponents to add whatever grounds they see fit whenever they wish. I suspect that the proposed additional grounds under s.3(1) and 3(3) were not originally included because they did not appear to represent promising grounds of opposition. The judgment in *Special Effects* does not make them any better now. It would be unfortunate if that judgment had the effect of causing opponents to resort to 'kitchen sink' style pleadings. Pleadings of that sort do not affect outcomes but simply add to the cost of proceedings, and can serve to divert attention away from the real issues.

30. The proposed second bad faith objection in relation to the Bury St Edmonds business, whilst apparently weak, was not as weak as the proposed objections under s.3(1) and 3(3). But if that ground was going to be raised, it should have been raised much earlier. I accept Mr Barry's point that preparation for hearings usually takes place shortly before the hearing. That may be a very efficient way of preparing for the hearing. However, this completely misses the point that the preparation for the substantive hearing is not the time to consider what grounds should be run. That should be carefully (but realistically) assessed at the outset of the proceedings. The pleadings should be kept under constant review in order that grounds that turn out to be insubstantial can be dropped and, if it becomes necessary, any new grounds added at the earliest possible opportunity. Leaving these matters to the days leading up to the substantive hearing of the original case inevitably increases the chances that the amendment will be rejected, particularly where the proposed new ground appears weak and incapable of being finally determined without further rounds of evidence.

The Evidence and Disclosure

31. Both sides filed evidence. Annex A is a list of the witness statements. In addition the parties agreed to disclosure of additional information and this was confirmed by an Order of the Registrar issued on 30 November 2004. Broadly, the opponent agreed to disclose:

- i) copies of Sworders Agricultural's accounts;
- ii) details of those instructions received by Sworders Agricultural for the years 1990, 1995 and 2000, with any relating to a property outside a radius of 15 miles from Bishop's Stortford duly marked;
- iii) a list of all residential properties sold or let by Sworders Agricultural since 1990 and (where retained) a copy of one advertisement for each such property.

32. In response the applicant agreed to disclose:

- i) copies of Sworders accounts;
- ii) a list of all the residential properties sold or let by Sworders since 1990 with any property outside a 15 mile radius of Sudbury and Lavenham, Suffolk duly marked.

The Facts which are Not in Dispute

33. It is common ground that up until 1987 the business of G.E. Sworder and Sons operated as a partnership and conducted a business in Bishop's Stortford whose trading activities encompassed residential properties and lettings, commercial properties, architectural and planning, structural surveys and property valuations, and furniture sales and valuations. The business was known variously as 'G.E. Sworder & Sons', 'Sworder' and 'Sworders'.

34. The same three partners plus two additional ones, carried on estate agency businesses in Sudbury and Bury St Edmonds, which were presented to the public as forming part of the same business as that conducted at Bishop's Stortford, and previously in certain other towns in the same region.

35. In 1987, the business (apart from the furniture sales and valuations) was sold to Property Leeds (UK) Ltd, which was a wholly owned subsidiary of the Leeds Permanent Building Society (hereinafter 'Leeds'). The business carried on under the name 'SWORDERS, A Property Leeds Service' until November 1989 when Leeds decided to withdraw from the business of estate agency and sold the business and the goodwill back to various combinations of the original partners.

36. In so doing, it divided the business and goodwill into five parts. The business carried on at 19 North Street, Bishop's Stortford was split into three. Mr Robert Ward-Booth was sold the right to carry on the "estate agency and general professional business" conducted from that address, together with the goodwill in that business and (in so far as the vendor was able to grant it):

"the exclusive right to use the name 'G.E. Sworder' and together with Arthur Vernon Muskett and John Charles Wetherall the like right to use the name "G.E.Sworder & Sons".

37. Mr Arthur Vernon Muskett was sold the right to continue the "agricultural surveying and estate agency farm management and related accountancy services business" as carried on from the same address in Bishop's Stortford. There is a dispute as to the correct meaning of this description of the business, which I return to below. There is no dispute that Mr Muskett bought a business of that description together with the goodwill and (again in so far as the vendor was able to grant it):

"the exclusive right to use the name 'Sworders' and together with John Charles Wetherall and Robert Timothy Naylor Ward-Booth the like right to use the name 'G.E.Sworder & Sons'."

38. Details of these agreements (or in the case of the sale to Mr Muskett, the first part of the agreement) are exhibited to Mr West's first witness statement as exhibit TW5). The agreement whereby the third part of the Bishop's Stortford business was sold to a Mr John Charles Wetherall is not in evidence. Nevertheless, I think that it is common ground that around the same time he bought the 'property management and lettings' business and such rights as the vendor had in the name 'Sworder' and, along with those named above, a right to use the name 'G.E.Sworder & Sons'.

39. Mr Ward-Booth continued to operate a general estate agency under the name 'G.E.Sworder Limited', initially from the same address in North Road, Bishop's Stortford, and from 1990 in close-by premises known as 'Sworders Barn'. After buying his share of the business back from Leeds, Mr Wetherall began to trade as 'Sworder Property Management' from premises adjacent to those of Mr Ward-Booth. Mr Muskett leased rooms above Mr Ward-Booth's estate agency and, together with Mr Angus Hudson, the opponent, (with whom Mr Muskett went into partnership on 1 December 1989), operated as 'Sworders Agricultural'. There is some disagreement as to whether the word 'Agricultural' was part of the brand or merely a subservient and descriptive addition to it. I return to this below. It is common ground that whilst Messrs Muskett and Hudson leased premises from Mr Ward-Booth, telephone enquiries to their business were answered as 'Sworders Agricultural'.

40. It is also common ground that during the period between 1989 and the beginning of 1997 there was co-operation between the various businesses co-located in Bishop's Stortford. Indeed they initially worked together effectively as though still one business. Accordingly, up until 1993, when Sworders Agricultural received instructions to sell residential properties, these were passed on to the general estate agency and advertised for sale by G.E.Sworder Limited.

41. In February 1997, Sworders Agricultural moved out of the premises at Sworders Barn and moved into an Office in a rural location called Little Hadham, which is approximately 2 miles outside Bishop's Stortford. In April 1997, Mr Muskett retired from the business of Sworders Agricultural and sold his share in the business to Mr Hudson who became the sole owner. The assignment transferred to Mr Hudson (again in so far as the vendor was able to do so) the exclusive right to the use of the name 'Sworders' in connection with the business purchased from Leeds in 1989.

42. There is no dispute that the opponent's business has, since moving out of shared premises with G.E.Sworder Limited, from time to time sold and purchased property for residential use on behalf of clients. There is a significant dispute as to whether the nature and scale of this and certain other activities, entitle the opponent to claim to have acquired a goodwill in the field of estate agency services by the date of the application.

43. The "general estate agency" at Sudbury was sold to Mr Alistair Munro and Mr Jeremy Langley together with the goodwill in that business and (again in so far as the vendor was able to grant it) "the exclusive right to use with Alan Leslie Wright the name 'Sworders (Suffolk)'. Mr West, the applicant, became a partner in that business in 1991 and eventually the sole partner in 1999. The business has expanded. A second estate agency office was opened under the name 'Sworders' in 2001 in the town of Lavenham, which is five miles from Sudbury, and since the application was made a third office has opened in the town of Bures, which is a similar distance from Sudbury.

44. It is common ground that the Bury St Edmonds estate agency was subject to a similar sale agreement and a share in the exclusive right to the name 'Sworders (Suffolk)'. Mr West states that this was in favour of Mr Munro. In fact I note that the Sudbury Agreement cites Alan Leslie Wright (another of the original partners) as the

person with whom the purchasers of the Sudbury Office were to share the exclusive right to the use of this name. But nothing turns on this. It is common ground that a Mr and Mrs Julian Hall are the current owners and successors in business of the estate agency business carried on in Bury St Edmonds for many years under the name 'Sworders'.

45. The estate agency business carried in Sudbury, and later Lavenham, has at all material times also traded under the name 'Sworders'. The applicant's evidence shows that his business received instructions to sell around 2300 properties in the period between 1989 and the date of the application. On behalf of the opponent, Miss May accepted that "the applicant has for some years conducted business as a general estate agent in the local area around Sudbury under and by reference to the name SWORDERS, and that he has goodwill in the name SWORDERS in that local area" (taken from paragraph 40 of Miss May's skeleton argument). There is a disagreement as to whether the applicant's advertising of properties for sale in the Sudbury area on a wider geographical basis entitled him to the benefit of a more-than-local goodwill at the date of the application.

46. It is common ground that the three general estate agencies in Sudbury, Bury St Edmonds and Bishop's Stortford undertook (at least occasional) "joint" advertising. Accordingly, exhibit TMW12 to Mr West's first witness statement contains examples of two adverts dated 1994 and 1999 in which Mr West's estate agency business and the like business at Bury St Edmonds, jointly advertised their respective properties in the Sudbury and Bury St Edmonds areas (respectively) under the name 'Sworders'. The layout of the adverts, which includes the addresses of both businesses, implies that the Sudbury and Bury St Edmonds offices were two parts of the same business. There is also an example (from February 2000) of the applicant's properties in the Sudbury area being advertised under the name of the Bishop's Stortford general estate agency (G.E.Sworder) run by Mr Ward-Booth. The "Sudbury Office" again seems to be represented as being a branch of the same business.

47. In September 2000, Mr Ward-Booth sold the general estate agency business based in Bishop's Stortford and trading under the name 'G.E. Swarder' to a firm called 'FPD Savills' who since appear to have carried on an estate agency business from the same premises in Bishop's Stortford under their own name. The property management business run by Mr Wetherall from adjacent premises was also sold to FPD Savills.

48. It is not disputed that the following year (2001) the applicant placed a number of advertisements for properties in the Sudbury area in a publication called the Herts and Essex Observer, which circulates in the Bishop's Stortford and Saffron Walden areas and their surrounds. The earliest such advertisement in evidence is dated 3 May 2001. The advertisements were placed under the name 'Sworders'. There was also at one point a suggestion that the applicant had published a national advertisement for property under the opponent's name, but I think that it is now accepted that this resulted from an error on the part of the newspaper.

49. The parties are agreed that Mr Hudson visited Mr West's business premises sometime in May 2001. There is considerable disagreement about what was said at

this meeting, but both sides agree that Mr Hudson suggested a co-existence agreement.

The Facts which Are in Dispute

50. The principal facts in dispute are:

- i) the scope and nature of the business that Mr Muskett bought from Leeds in 1989 and described in the sale agreement as the “agricultural surveying and estate agency farm management and related accountancy services business”;
- ii) whether the business carried on by Mr Muskett and Mr Hudson is known as ‘Sworders Agricultural’ or just ‘Sworders’;
- iii) the nature and extent of that business, particularly the extent to which it extends to non-agricultural estate agency services and, if it does, when such services began;
- iv) the geographical scope of the applicant’s business and, in particular, the geographical scope of his goodwill at the date of the trade mark application;
- v) whether there is evidence of the parties’ advertisements causing confusion;
- vi) what was said at the meeting between Mr West and Mr Hudson in May 2001, or otherwise known to Mr West about the nature and extent of Mr Hudson’s business at the date of his trade mark application.

Cross Examination

51. Mr West and Mr Hudson attended the hearing and were cross examined on their evidence. My assessment of these witnesses is that both were essentially truthful, but that Mr West was able to be more objective about the facts than Mr Hudson. Mr Hudson was prone to interpret and classify the facts in a way which tended to exaggerate the extent to which his business was engaged in residential property sales and lettings at the date of the application. When confronted with facts which plainly did not support that case he responded with sometimes lengthy statements of mixed relevance. On several occasions I had to intervene in order to bring him back to the question. He described this as adding “context”, but as time went on I increasingly came to view this as a means of obscuring unfavourable facts. Therefore, whilst I do not doubt Mr Hudson’s evidence as to the basic facts of the matter (indeed there is not really that much dispute about the basic facts), I approach those parts of Mr Hudson’s evidence in which he interprets, quantifies and classifies those facts, particularly the evidence he gives (other than that which is supported by documentary or independent evidence) about the nature and scale of the disputed part of his own business, with a certain amount of caution.

The Meaning of the 1989 Sale Agreement between Leeds and Mr Muskett (the opponent's predecessor)

52. Miss May submitted that the sale agreement was plagued by a lack of punctuation and that once this was added to the description of the business assigned to Mr Muskett it should be interpreted as being:

“agricultural, surveying, and estate agency, farm management and related accountancy services business” (punctuation and underlining added)

53. The effect of reading the agreement in this way is that, in 1989, Mr Muskett acquired the exclusive right to use the name ‘Sworders’ alone in respect of ‘estate agency’ services.

54. Mr Silverleaf submitted that it was inherently unlikely that a legal agreement of this kind would suffer from such defective drafting as the absence of punctuation and that on a proper reading the description of the business should be understood as meaning:

“agricultural surveying and estate agency farm management and related accountancy services business” (underlining added)

55. On this reading of the agreement, Mr Muskett had acquired the right to use the name ‘Sworders’ in relation to “estate agency farm management”. The difficulty with this submission is that although “estate agency” and “farm management” have recognisable meanings, the composite term does not. Further, I note that other parts of the various agreement are also lacking punctuation. Indeed it is hard to find a comma in any of them.

56. It does not necessarily follow from that that Miss May’s interpretation must be correct. Firstly, it would seem unlikely that the business carried on by Leeds in Bishop’s Stortford would be divided in such a way that both Mr Ward-Booth and Mr Muskett would be sold the goodwill in the general estate agency component of that business and the right to continue it in Bishop’s Stortford under the names ‘G. E. Swords’ and ‘Sworders’, respectively. Secondly, the proposition that Mr Muskett bought a share of the goodwill in the estate agency is difficult to reconcile with Mr Hudson’s acceptance during cross examination that during the period in which he and Mr Muskett carried on business from the same premises as Mr Ward-Booth, it was accepted by Mr Muskett (and reluctantly by himself) that they were not to hold their business out as being an estate agency. Thirdly, it is not disputed that prior to the purchase of the business by Leeds, Mr Muskett ran the agricultural section of the business conducted in Bishop’s Stortford and there is evidence from Mr Ward-Booth that the partners bought back from the Leeds those parts of the original business that they had previously run.

57. Mr Hudson suggested that Mr Muskett’s reluctance to advertise their business as including estate agency arose out of a moral obligation on the part of Mr Muskett to avoid upsetting Mr Ward-Booth. Mr Muskett has not given evidence. In my view, it is inherently unlikely that a person would refrain from identifying themselves as engaging in a business that they believe that they have bought and paid for merely out

of a wish to avoid upsetting a colleague, even one who is now also a landlord. This suggestion is also against the weight of the evidence. I reject it.

58. During cross examination, Mr West suggested a third interpretation of this part of the agreement. He suggested that its true meaning was:

“agricultural surveying and (agricultural) estate agency, farm management and related accountancy services business” (the word ‘agricultural’ qualifying both ‘surveying’ and ‘estate agency’ and the absence of punctuation being limited to a missing comma between the words ‘agency’ and ‘farm’)

59. In my view, that is consistent with the surrounding facts and is also the most natural reading of the agreement. I find that it is the correct interpretation of this part of the agreement.

Whether the business carried on by Mr Muskett and Mr Hudson is known as ‘Sworders Agricultural’ or just ‘Sworders’

60. Following the purchase of the business from Leeds, Messrs Hudson and Muskett ran their business under the name ‘Sworders Agricultural’. As Mr Silverleaf pointed out to Mr Hudson, every piece of evidence that the opponent filed carries that name and, as I noted above, it is accepted that it is also the name by which the opponent used to answer telephone enquiries up until 1997.

61. Up until early 2002, that name was used on headed notepaper and other promotional material, including advertisements, with the word ‘Sworders’ above the word ‘Agricultural’ and in slightly larger letters. See, for example, exhibit TMW24 to Mr West’s first witness statement. The sign outside the opponent’s premises showed the name as ‘Sworders Agricultural’ with both words having the same size letters (see TMW25). Sometime early in 2002 the opponent modernised his branding. One of the effects of this was to markedly increase the size and prominence of the word ‘Sworders’ relative to the word ‘Agricultural’ (see, for example, exhibit TMW22). Even after this, the opponent produced a newsletter which he entitled SWAG, which is obviously derived from the first two letters of the words Sworders and Agricultural. The opponent’s web site address is ‘sworders-agri.co.uk’. Further, the assignment of the business from Mr Muskett to Mr Hudson in 2001 (exhibit 8 to Mr Hudson’s first witness statement), whilst purporting to assign such rights as Mr Muskett had in the name ‘Sworders’, describes the business as that conducted under the name Sworders Agricultural. Further still, messrs Munro and Ward-Booth, whose long association with the various Sworders’ businesses is clear from the history described above, both give evidence on behalf of Mr West that the opponent’s business is known as Sworders Agricultural.

62. The opponent filed evidence from Messrs Robert Barclay, Nicholas Mynott and Jim Collins, to whom the opponent has provided services. Mr Barclay says that Sworders (this must be the original firm) have sold on behalf of his family since 1905. He further says that he knows the opponent well and that the full name of his business is Sworders Agricultural. Nevertheless, he states that both he and his family always call it Sworders. Mr Mynott says that he has known of the opponent’s business since

the early 1990s and that although he is also aware of its full trading name, he always calls it Sworders. Mr Collins gives evidence to similar effect.

63. In my view, all this evidence shows is that Sworders is a natural contraction of 'Sworders Agricultural'. It does not establish that the opponent has traded under the name Sworders alone or, more importantly, that the opponent's clients do not regard the word 'Agricultural' as forming a part of the name that distinguishes the opponent's business. I do not think that this conclusion is undermined by the fact that 'Agricultural' is descriptive of the opponent's business. There are many cases in which a descriptive element of a name has been held to contribute to its overall identity: see, for example, paragraphs 35-41 of the Court of Appeal's judgment in the trade mark case of *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40.

64. Further, I note that when during cross examination, Mr Hudson was challenged about an advertisement that he had placed in the Sudbury area in which Mr West's business is based, advertising a property for sale, he relied on his use of the name Sworders Agricultural as one of the means by which he had distinguished his business from the business operated by Mr West.

65. Exhibit 4 to Mr Hudson's first witness statement consists of a small selection of letters which are addressed to, or otherwise refer to, the opponent's business as just Sworders. Ten of these date from the autumn of 2002. These letters postdate the trade mark application and also the modernisation of the opponent's branding in the first part of 2002, which as I noted above, gave greater prominence to the word Sworders. I am therefore reluctant to accept that these few letters establish that the opponent was generally known as just Sworders at the date of the application.

66. There are a few other letters in the same exhibit which date from the period 1990-1995 and are also addressed to, or from, Sworders. However, these date from a time at which the opponent and G.E.Sworder Ltd were operating from the same premises in Bishop's Stortford, and were co-operating to the extent that they sometimes shared instructions. It is hardly surprising that, in these circumstances, a few people doing business with the opponent did not distinguish it from G.E.Sworder, or from the original business previously conducted for many years at a close-by address under the name Sworders.

67. After Mr Silverleaf had completed his cross examination of Mr Hudson, I asked Mr Hudson why there were no letters in evidence addressed to, or from, his business as just Sworders dating from the period after he had moved it to separate premises outside Bishop's Stortford at the beginning of 1997 (at which point one would expect any misnaming due to historical reasons and/or co-location with G.E.Sworder Ltd to diminish), but prior to the re-branding in 2002. His answer was that he had attempted to show early use of the name Sworders, and that this had carried on up to the time that the opposition was brought. This explanation does not fully explain why, if these letters were intended to show a continued practice of reference to the opponent as Sworders, that no similar letters were produced for the period between 1995 and 2001. Whatever the reason for the selection of these particular letters as evidence, for the reasons stated above, I do not regard them as establishing that the opponent was generally known as just Sworders at the date of the application. I accept the inherent

likelihood that some of the opponent's clients may sometimes have referred to his business as just Sworders, but I find that it was likely to have been generally referred to by the name under which it traded: Sworders Agricultural.

The nature and extent of that business, particularly the extent to which it extends to non-agricultural estate agency services and, if it does, when such services began

68. There is some conflict of evidence as to the nature of the opponent's business. Mr Michael Snow is a Chartered Surveyor with over 35 years experience based in Saffron Walden, Essex. Mr Snow used to work for Sworders before it was bought by Leeds. His specialism at that time was in agriculture and land agency surveying. He worked to Mr Muskett, Mr Hudson's ex partner. He now runs his own business. He is aware of Sworders Agricultural and says:

“So far as I am aware, Sworders Agricultural is still trading primarily in agricultural related issues, this being a specialised part of the surveying profession, distinct from standard estate agency. Given the greater profitability of alternative uses of agricultural land, many firms previously practicing in the field of agricultural estate agency are broadening their professional base to involve themselves in issues such as the disposal of surplus farm buildings, houses and cottages, barn conversions and allied commercial work deriving from farming or former farming clients. To my knowledge the business known as Sworders Agricultural is involved in this area of practice distinguishable from the general estate agency practice of Sworders in Sudbury, which may be characterised as a residential estate agency.”

69. Mr Munro, the applicant's former business partner gives similar evidence.

70. Mr Kelvin Whitfield is an estate agent practicing in the Bishop's Stortford, Stanstead and Saffron Walden areas for 25 years. He says that he was aware of the original partnership of Sworders in Bishop's Stortford until it was taken over by Leeds and that Vernon Muskett carried on as the agricultural agent after the takeover. He is also aware of the opponent's business. Mr Whitfield states that:

“I have always regarded this business to be a specialist agricultural and land agency organisation. I personally can only recall 2 or 3 house sales effected by Sworders Agricultural in recent years and I believe they could not be described as a residential estate agency.”

71. Anthony Mullocks is also a Chartered Surveyor and has been a partner in a residential estate agency in Bishop's Stortford, known as Mullocks Wells, since 1968. Based on his experience and local knowledge he says that “Sworders Agricultural has always dealt with a large number of agricultural matters, and is a specialist land agency.....situated in the grounds of a remote country house”. And that:

“...Sworders Agricultural is not, and has never been, a residential agency business. They have been involved in one or two residential properties and also the sale of certain agricultural barns for conversion to residential units. They do not advertise regularly in the local papers, and are certainly not

considered by the local estate agency profession, or by the general public, to be residential estate agents.”

72. Mr Ward-Booth also provides evidence which goes to the nature of the business carried on under the name Sworders Agricultural. He acknowledges that during the time that the business was co-located with his own business in Bishop’s Stortford, Sworders Agricultural received instructions to dispose of certain properties which were sold by his firm, G.E.Sworder Ltd, on their behalf, and that Sworders Agricultural also “carried out some property management on a very limited scale and specific to their agricultural clients.”

73. He further explains that:

“Once Sworders Agricultural.....took occupation of their new premises, they began to handle the sale of occasional residential properties they received instructions to sell, by auction or sale by private treaty. Again, these were, I believe, always related to properties that came to Sworders Agricultural as a result of existing clientele connections, through their agricultural practice. Whilst displeased at this development, and its potential impact on my business, the numbers concerned were so few that I decided not to challenge this at the time.”

74. Mr Hudson filed evidence-in-reply to this evidence in which he:

- i) challenges whether Mr Mullocks has any in-depth knowledge of the nature of his business, and attributes his willingness to purport to give such evidence to his desire to see Sworders Agricultural’s residential business restricted so as to avoid local competition;
- ii) states that Mr Munro has only a very limited knowledge of his business, and that he has given the evidence that he has either because he wishes to protect the business of Mullocks West (of which Mr Munro is now a partner) from competition, or because of historic loyalty to Mr West, for whom Mr Munro still acts as a consultant;
- iii) similarly challenges the authority and independence of Mr Snow’s evidence, pointing out that he is also a Consultant Surveyor to the applicant’s business;
- iv) challenges the motives of Mr Ward-Booth in giving the evidence he has, which Mr Hudson believes to be inspired by a desire on the part of Mr Ward-Booth to gain a negotiating advantage in a separate dispute with the opponent.

75. With regard to Mr Ward-Booth’s statement that Sworders Agricultural carried out some property management services whilst co-located with G.E.Sworder Ltd, Mr Hudson states that the division of business between his own business and that of G.E. Sworder Ltd and Sworder Property Management broke down early in the 1990s in at least one respect. This happened because Sworders Property Management was only interested in managing properties within an approximately 5 mile radius of Bishop’s

Stortford. As a result he says that both his business, and that of G.E.Sworder Ltd, commenced the letting of properties at that time.

76. Messrs Barclay, Mynott and Collins state that Sworders Agricultural has acted for them since 1994/5. None of the witness provide much information about who they are, but I note that the addresses they provide are farms (or in the case of Mr Mynott, farm cottages). Mr Barclay says that:

“... Sworders were instructed in 1995 and have acted for both myself and my family since that time managing a residential portfolio of houses and cottages as well as advising upon agricultural and commercial matters.”

77. Mr Mynott says that:

“In 1994 Sworders commenced negotiations on our behalf for the acquisition of four houses. All the houses were acquired in 1995.

Since that time Sworders have advised us upon and acquired on our behalf three commercial property investments and have also sold three barns with planning consent for residential and commercial use. Sworders applied for and obtained these planning permissions for me.”

78. Mr Collins says that the opponent has provided him with agricultural, commercial and residential advice since the early 1990s. In particular he states that:

“They (Sworders) first let one of our houses in June 1994 and they have let and sold and bought residential properties for us since.”

79. It is apparent from the above summary of the evidence that one of the disputed points is whether the opponent was entitled to classify himself as a residential estate agent at the date of the application. For reasons I will come to later, I do not think that this point is one of decisive importance. The relevant dispute is the extent of the opponent’s non-agricultural estate agency work up to the relevant date.

80. On this point the opponent’s documentary evidence and disclosure, upon which Mr Hudson was cross examined, paints a broadly similar picture to that portrayed by the independent evidence described above.

81. The origins of the opponent’s business are plainly to be found in the agricultural department of the original partnership of G.E.Sworder & Sons. It provided services to farmers and other rural property owners. These services may be described as agricultural surveyors and land agents (or agricultural estate agents). Mr Hudson was constrained to accept that whilst his business shared premises with that of G.E.Sworder (that is up until to early 1997) it did not hold itself out publicly as offering residential estate agency services.

82. This is borne out by the content of the only express advertising of the business in evidence from this time, which consists of adverts placed on cards/programmes issued at rural sporting events, such as the Puckeridge and Thurlow point-to-point race, and meetings of the Puckeridge hounds. These advertisements (examples of which dating

from 1991-1997 can be found in exhibit 6 to Mr Hudson's first witness statement) describe Sworders Agricultural as being Chartered Surveyors, Land Agents, Valuers and Agricultural Consultants'. The areas of its business are described as being:

- Land Sales, Purchases and Valuations
- Landlord and Tenant Matters, Rent Reviews
- Agricultural Legislation
- Compulsory Purchase, Pipelines and Wayleaves
- Stocktaking valuations
- Tenant Right and Dilapidation Claims
- Disputes, Arbitration and Expert Evidence
- Farm Business Management and Appraisal
- Cashflows and Forward Budgets
- Contract and Share Farming Arrangements
- Conservation and Woodland Grant Schemes
- Diversification for Land and Buildings

83. Mr Hudson did, rather weakly, suggest that the first two descriptions might have covered property, other than land, but he accepted that this was not clear and, assessed realistically, I think that it is clear that it would not have been taken to cover these services. The last item is a pointer to the development of the opponent's business.

84. According to the documents in Mr Hudson's disclosure, his business offered 17 residential properties for sale in the period between 1989 and the end of 1997. The first 4, in 1991 and 1992 were actually advertised by G.E.Sworder. It is argued on behalf of the opponent that this amounted to "joint" advertising which generated goodwill for the opponent. On the other hand, the opponent says that the applicant's later advertising in the Bishop's Stortford area under the name G.E.Sworder created no goodwill in the area for the applicant because the goodwill would have been attributed to the business whose name appeared on these adverts: G.E.Sworder Ltd. The opponent cannot have it both ways. I believe that the true position is that, in both cases, in so far as these adverts created any goodwill, it would have attributed to the estate agency of G.E.Sworder in Bishop's Stortford. Any resulting sales would have generated some goodwill for the business that received the original instruction, but this goodwill would have been generated among the persons who placed the instructions rather than those who read the advertisements.

85. The only sale by the opponent of a residential property in 1993 was that of a property called Pepples in Wimbish, Essex, which Mr Hudson indicated during cross examination was sold "jointly" with another local agent called Bidwells. In 1994, the opponent again claims to have sold just one residential property; thatched cottages at a place called High Wych, which is about six miles south of Bishop's Stortford.

86. According to the disclosure, the opponent's business received instructions to sell two residential properties in 1995. They are listed in the disclosure as being Rigery Farmhouse and Nobland Green Farmhouses. Both are in Hertfordshire. The advertised particulars of these properties are provided. They show that these farmhouses were sold along with 150 and 306 acres, respectively, of farm land. They therefore appear to be sales of farms including residential farmhouses rather than residential sales as

such. The sales of farms is, in my view, plainly the business of a land agent or agricultural estate agent.

87. The opponent claims to have sold three more residential properties in 1996. Two of these are in a place called Little Hallingbury, which is about three miles from Bishop's Stortford, but actually in Essex. I have been unable to locate the advertised particulars for these properties in the opponent's evidence or in the disclosure. The third property is a residential property called Pumphill Cottage, in Brent Pelham, Hertfordshire, which is 10 miles north of Bishop's Stortford. This property was, like most of the opponent's properties, offered for sale through a brochure dedicated to the particular property. I note from the advertised particulars that the vendors were a Mr and Mrs Angus Hudson. This means that the only fully particularised instance of the opponent selling a residential house in 1996 relates to the opponent selling his own house.

88. The opponent's disclosure claims that instructions to sell a further three properties were received at the beginning of 1997. I have been unable to locate the advertised particulars for these properties in the opponent's evidence or in the disclosure. There is only an address for one, which is in Cromer, Herts, which is about 15 miles from Bishop's Stortford.

89. I conclude on the evidence of the disclosure that, at most, the opponent conducted only a tiny number of truly residential property sales under the name Sworders Agricultural up until the beginning of 1997.

90. The opponent also provided the addresses of his residential lettings for the same period. These appear to be slightly more extensive. There are 22 lettings (the first being in 1994) up until the end of 1997. Advertised (again individual) particulars of four of these lettings are included in the evidence and/or the disclosure. The properties all appear to be rural residential properties of the kind that one often sees being let through an estate agent. Three of these are in Buntingford, Hertfordshire, which is about 12 miles from Bishop's Stortford. The other is in Ongar in Essex, which is 10 miles from Bishop's Stortford. Some of the 22 listed properties are plainly adjacent to one another. Sixteen of them are in the same village of Brent Pelham, which is also about 10 miles from Bishop's Stortford. It seems likely that at least some of these were let on behalf of the same landlord.

91. The business does not appear to have changed substantially after the move to separate premises in 1997, but there is evidence of a greater willingness to openly conduct residential property sales. Accordingly, in September 1997, Sworders Agricultural engaged in a rural property auction. This included seven plots of land, but also a six bedroomed farmhouse in grounds with paddocks and some residential outbuildings, a derelict barn with planning consent for conversion into a residential property, and a thatched cottage. All these properties are in Essex, the farthest being about 18 miles from Bishop's Stortford. The offer for sale of residential buildings as such (as opposed to being part of a farm) and of agricultural buildings with planning consent for conversion into residential buildings, overlaps with the sort of services commonly provided by an ordinary estate agent. The auction does not appear to have been successful in disposing of all the residential property because on 26 February

1998, Sworders Agricultural advertised the farmhouse and the barn for sale again by way of an advertisement in Country Life.

92. This greater preparedness to openly represent itself as offering rural residential properties for sale and let is reflected in the advertisement that the opponent placed in the programme for The Puckeridge Hunt, Point-to-Point meet on 11 April 1998. Whilst retaining offers to provide various agricultural services, the advertisement records the firms activities as including “Sales and purchases” (above a picture of a rural house) and “property management and lettings”. These efforts do not appear to have borne early fruit. The opponent disclosure indicates that Sworders Agricultural received instructions to sell just three residential properties in 1998. The advertised particulars of one of these is provided showing that it is a substantial residential farmhouse in Epping Upland, Essex, with 5 acres of land including some barns for conversion. Another of the properties that Sworders Agricultural received instructions to sell in 1998 is an ordinary three bedroomed semi-detached house in the village of Hunsdon, Herts. The residential lettings business does not appear to have taken off either. The opponent’s disclosure indicates that Sworders Agricultural received instructions to let just three residential properties in 1998, one of which was a mobile home.

93. The opponent’s business received instructions to sell a further six residential properties in 1999. Two of these properties appear to have involved the sale of an existing residence. According to the disclosure, the other four consisted of sales of barns. The advertised particulars have been provided by the opponent for three of these barns. They show that they were offered for sale with planning consent for conversion into residential units, or in one case, a residential and commercial property. In the other two cases the barns were for conversion into two and seven residential properties, respectively. These appear to be further examples of the disposal of surplus agricultural buildings. These properties would almost certainly have been of interest to builders or developers. In the same year, Sworders Agricultural received instructions to sell two acres of land near Waltham Abbey with planning permission for a residential development. I have not seen the full particulars of this property. Also in 1999, Sworders Agricultural received instructions to let a total of seven residential properties.

94. The pattern of sales of residential properties appears to have remained broadly stable during the years 2000 and 2001. According to the disclosure, Sworders Agricultural received eight residential sale instructions in 2000, of which four appear to relate to properties already in use for ordinary residential purposes, and four to a combination of barns, a former estate office and a building plot for conversion to residential use. The full advertised particulars of one of the barns is in evidence (Down Hall Barns) from which it is clear that the property (for conversion into four residential properties) would have been of interest to a developer or builder. The opponent’s business received instructions to let a further 14 residential properties in 2000. In 2001 the opponent’s residential lettings business appears to have expanded a little. According to the disclosure, instructions were received to let 25 such properties, 14 of which were from a single client.

95. Mr Hudson’s witness statement states that residential work accounted for 14% of his businesses new work in 1990. This is surprising because, according to the

disclosure, his business did not receive a single instruction for a residential let or sale in that year. The documents in evidence also reveal some doubts about the reliability of Mr Hudson's classification of different types of work in the list accompanying the disclosure. As I noted above, both of the instructions to sell 'residential' properties in 1995 are shown on closer scrutiny to be the farmhouses sold with farms of 60 and 300 acres. These instructions could not reasonably be described as 'residential sales'.

96. Mr Hudson first witness statement indicates that the opponent has advertised his "business and properties in national newspapers and magazines, including Country Life, The Times and The Daily Telegraph". He claims that there are, on average, 6 to 12 of these types of advertisements each year, depending on the number of properties for sale. Mr Hudson further states that:

"By the end of this financial year I estimate that we will have spent approximately £15000 in total **or for this year** promoting the Sworders name and business." (emphasis added)

97. The financial year in question is 2002/3, which is too late to be of any relevance to the outcome of the trade mark application made in June 2001. It is therefore impossible for me to assess from the above statement what proportion of the sum specified was spent during the relevant period. Nor is it possible for me to be sure about the proportion of this sum that was spent advertising services that are relevant to the trade mark application (as opposed to specialist farming services, which the opponent also provides).

98. The only examples of advertising (see exhibit 6 to Mr Hudson 1) in evidence (apart from the published particulars of particular properties in individual advertising brochures) which pre-date the trade mark application are the copy of the advertisement in Country Life (described above) from 1998 and the meet cards/programmes from the various meetings of the Puckeridge hunt. The advertisement that the opponent placed in the programme for the 1995 Puckeridge Hunt Open Hunter Trails was placed on behalf of "retained clients in East Hertfordshire and mid/West Essex" who were looking for commercial and residential farms with 500 and 60 acres, respectively. Some of the limited promotion of the opponent's business was therefore directed at property purchasing rather than property selling. There is a copy of a further advertisement in Country Life dating from August 2002 (for a country house two miles from Bishop's Stortford), but that is after the date of the application. Further, it is evident from the fact that the The Daily Telegraph substituted Sworders Agricultural's old branding for the applicant's branding on an advertisement it placed in 2002, that Sworders Agricultural had at sometime prior to its re-branding itself advertised in the Daily Telegraph. But it is not clear what services were advertised, or when.

99. In cross examination, Mr Hudson accepted that his business did not routinely advertise in local papers and he could only name one example of a case in which two or more properties were advertised together (the Country Life advertisement) prior to the date of the trade mark application. I am left with the impression that the principal means through which Sworders Agricultural advertised its properties for sale or let was through the distribution of property specific brochures and local signage associated with the properties themselves, with a view to sale by private treaty or

auction. This is consistent with the emphasis that Mr Hudson placed on word of mouth recommendation as a key means of his acquiring further business.

100. The sale of residential properties was sporadic up until 1997, and still on a small scale between 1997 and the date of the trade mark application. It was argued on behalf of Mr Hudson that whilst the number of residential properties offered for sale by Mr Hudson may be small, their commercial significance was greater because they are high value properties. I accept the force of that point. The residential property lettings business, whilst still small, was more significant. Both of these elements of the Sworders Agricultural's business had grown out of its roots as agricultural surveyors and land agents, which would have been reflected in its customer base as far as those instructing the firm were concerned. Nevertheless, I accept that those instructing the firm would not have been limited to agricultural clients. My conclusion is that Sworders Agricultural's business extended to residential sales and lettings at the date of the application, but only on a small scale.

101. Mr Hudson's witness statement contains a claim that his business has traded across "a very wide area" and has an office in Northamptonshire, which was set up around 1998/9. Despite this claim, all the properties (except one) identified as having been offered for residential letting or sale in the period 1990-2001 in the opponent's evidence and disclosure are in Hertfordshire or Essex, and all of these are within about 21 miles of Bishop's Stortford. Most are within 15 miles. The one exception is a barn in rural Northamptonshire which the opponent was instructed to sell in 1999. It is not clear from the disclosure documents I have seen whether this was an existing residence or a farm building to be converted for residential use. No details of the property or who the customer was has been provided, nor are there any details of how it was advertised for sale. In any event, it is only one property and plainly not sufficient by itself to establish a goodwill in Northamptonshire. No details of the "Northampton Office" referred to above have been provided.

102. At the conclusion of the hearing, I asked the opponent's representatives to provide me with a geographical representation of the properties in respect of which the opponent provided services covered by the trade mark application prior to the date of its filing. Rule 57 of the Trade Mark Rules 2000 gives the Registrar the power to require such information. My purpose in requesting this information was to assist me in assessing the geographical extent of any goodwill that the opponent may have enjoyed at the date of the trade mark application. I considered this necessary because although I had a list of the properties shown in the disclosure that Sworders Agricultural had offered for sale or let during the relevant period, it was not easy to geographically place all of these (mostly rural) properties in relation to each other or to the opponent's place of business.

103. On 5 May I received a letter from the opponent covering an annotated map and a list of 607 properties. The 116 properties identified in the opponent's disclosure were included on the map. So too was a description of a further 491 properties. The opponent's covering letter explained that the properties listed in the disclosure consisted of "...those commercial and residential properties sold or let" prior to 5 June 2001 (the date of the application). The balance of the properties shown on the map was said to be comprised of "residential and commercial property valuations,

appraisals and purchase negotiation files opened between 1 December 1989 and 5 June 2001”. I take “purchase negotiation files” to be a reference to property purchases. Although a large majority of the properties shown on the opponent’s map are in Hertfordshire or Essex (as are all bar one in the disclosure list) there are also a scattering of properties shown as being in Cambridgeshire, Northamptonshire, Leicestershire, Warwickshire, Bedfordshire, Suffolk and a few other counties besides.

104. Not surprisingly, the applicant’s attorneys took issue with the opponent’s response to my request for a geographical representation of his evidence. I had allowed the applicant’s representatives seven days to comment on the information that the opponent provided. On 12 May I received a letter from Phillips & Leigh in which they:

- i) complained that the opponent had used the request as an opportunity to submit wholly new evidence;
- ii) pointed out that they had not had the opportunity to cross examine the opponent on this new evidence;
- iii) made a number of detailed complaints about the way the information was compiled which go to its reliability.

105. I subsequently received a further letter dated 17 May 2006 from Olswang, the opponent’s legal representatives, which made a range of factual and legal counter submissions and asserted that the applicant had had sufficient opportunity to challenge and investigate the information put forward.

106. I do not agree. On contrary, it is the opponent who has had ample opportunity to put forward and particularise his evidence during the periods allowed for doing so. Further, the applicant’s request for disclosure specifically drew the opponent’s attention to the fact that it was of significance to the applicant whether Sworders Agricultural had received instructions in respect of properties outside a radius of 15 miles from Bishop’s Stortford. I am therefore in no doubt that to accept the opponent’s map as a being a fair representation of the scope of his relevant business, after he was cross examined on the basis of the substantially less information he had previously disclosed, would be a serious breach of natural justice.

107. I have carefully considered whether to re-convene the hearing for the further cross examination of Mr Hudson. I have decided that that is not justified in all the circumstances. This is because:

- i) the opponent has had ample opportunity, and even encouragement, to provide full particulars of his case prior to the hearing;
- ii) it is inherently unlikely that the geographical scope of the business of a party providing residential and commercial estate agency services would vary substantially between sales and lettings on the one hand, and residential and commercial property valuations and appraisals on the other;

- iii) any goodwill generated by property purchases would be liable to reside in the area in which the client is based rather than where the property is located, particularly in the absence of any evidence of advertising in the area of the property purchase;
- iv) a significant number of the additional properties on the list provided with the map are farms, barns and land where there has been shown to be room for different views as to whether they represent a residential, commercial or agricultural estate;
- v) the relevance of these, if any, (and probably the other 'new' properties too) is only likely to be capable of being resolved by the production of further documentary records;
- vi) accepting the extended list as a true guide to the scope of the opponent's business would therefore be liable to lead to a further significant and unjustified extension of already lengthy proceedings, which would, of itself, be prejudicial to the applicant;
- vii) my invitation to represent the opponent's claim from a geographical perspective could not have been fairly understood as an invitation for the opponent to open a substantially different case.

108. I regard the opponent's 'new' evidence as untested, insufficiently supported and therefore unreliable. Consequently, in assessing the extent of the opponent's goodwill at the date of the application I intend to do so by reference to the information provided in the opponent's evidence and disclosure, upon which the opponent has been examined. With one exception, these are all based in Hertfordshire and Essex and centred around Bishop's Stortford.

The scope of the applicant's business and, in particular, the geographical scope of his goodwill at the date of the trade mark application

109. The applicant accepts that all the properties in respect of which he received instructions prior to the date of his application were located within 15 miles of Sudbury. The instructions that he received were mainly residential but also included a small but not negligible number of commercial properties, mainly shops.

110. Mr West's business has advertised these properties more widely. During examination, Mr West explained that the purpose of this was to attract buyers for his clients' properties from outside the area. The extent of his advertising is conveniently set out in exhibit TMW13 to his first witness statement. Swords' advertisements (examples of which are exhibited as TMW15) are typical of the sort of advertisements placed by an estate agent. The bulk of the applicant's advertising prior to the date of the trade mark application was in two local papers called the Suffolk Mercury and the Suffolk Free Press, and a more regional paper called the East Anglian Daily Times, which is circulated in Suffolk and parts of Essex. The applicant advertised in these papers throughout the period 1994 to 2001. From 1998 onwards he started advertising 4-6 times a year in the Essex County Standard, which as the name suggests, is circulated in Essex. In the year 2000, advertisements for the applicant's

properties were also placed in the Saffron Walden and Stansted Reporter, which circulates in Hertfordshire. However, as noted above, these advertisements appear to have been placed under the name of G.E.Sworder rather than under the applicant's name. In the following year (2001) the applicant started advertising in the Herts and Essex Observer, which is circulated in Bishop's Stortford and Saffron Walden. It was these advertisements which indirectly lead to the present application and this opposition.

111. In addition to advertising in these papers the applicant states that his business advertised its properties on two websites, from about 1999 on a website called 'property-platform.com', and from January 2001 on a website called 'primelocation.com'. However, no details of any properties that the applicant's business listed prior to the date of the application have been provided and there is no evidence as to the number of relevant enquiries by members of the public.

112. The applicant's business has been a member of the Guild of Professional Estate Agents since 1996. Prior to that it was a member of the National Association of Estate Agents. Sworders has, since 1996, regularly taken out full page advertisements for its properties in the Guild's monthly property magazine. The magazine is distributed through hundreds of estate agents' offices nationwide (see exhibits TMW22a-TMW53b to Mr West's second witness statement). The Guild has a policy of only accepting one agent per town or area. In Bishop's Stortford the Guild accepts advertisements from an agent known as Intercounty. Mr West's business is the agent the Guild promotes in the Sudbury area. The arrangement is reciprocal. Consequently, Mr West gave evidence that the Guild's magazine is distributed from his premises in Sudbury and he would expect Intercounty to be doing the same in Bishop's Stortford. This means that someone looking for a house in the Sudbury area would be able to find such houses advertised for sale under the name Sworders in magazines distributed by Intercounty in Bishop's Stortford.

113. There is, in my view, no doubt that at the date of the application the applicant was the owner of a protectable goodwill as an estate agent in the Sudbury area, and that this goodwill extended to cover an area of at least 15 miles around Sudbury.

114. His business would have been known more widely, certainly in Suffolk, but also as a result of his repeated advertisements in papers circulating in Essex, to a significant number of people in that county. I am not persuaded that the advertisements in the Guild's magazine, or on web sites, would have resulted in a retained recollection of Mr West's business on a wider basis than that. I am fortified in this view by the fact that, during examination, Mr West was unable to recognise the names of several other estate agents who also advertise in the Guild's magazine. It is the sort of publication that one might be referred to once or twice in a lifetime when looking for a house in a distant part of the country. Placing regular advertisements in it would not therefore result in a national goodwill amongst ordinary property buyers.

115. In examination, Mr West accepted that the promotion of properties in magazines gives the message to the consumer that his business has expertise in respect of properties in West Suffolk and the Essex borders. In my view that is a fair description of the *nature* of Sworders' goodwill. That goodwill originates from one of the businesses bought by Leeds in 1987 and sold back to Mr West's predecessor in

business in 1989. As Miss May submitted, and as I think that the evidence confirms, estate agency is usually a local business. The *extent* of the goodwill and reputation of Mr West's business as one having expertise in properties in and around the Sudbury area would have been largely confined to Suffolk and (to a lesser extent) Essex at the date of the application.

116. As I have noted above, the business sold by Leeds to Mr West's predecessor in business was that of a "general estate agency". Nevertheless, it appears that the business has subsequently included some surveying services as an adjunct to the primary business of estate agency. Mr Snow gives the following evidence about the applicant's business:

"The practice operates in the field of general estate agency concentrating on residential property sales with some lesser involvement in commercial estate agency and chartered surveying."

117. Mr Munro (Mr West's predecessor in business), who is himself a chartered surveyor, puts the matter more strongly. He says:

"The firm of Sworders in Sudbury has provided a wide range of survey and professional services, through my activities and those of my partners and ultimate successor Mr Timothy West and the referral of cases to our consultant surveyor throughout the period, Mr Michael Snow B.Sc, FRICS, FAAV."

118. Mr Ward-Booth also gives evidence that:

"Mr Timothy West has conducted his business as a residential estate agent and surveyor as a direct continuation of the business carried on by Property Leeds (UK) Ltd under the name Sworders...."

119. I am doubtful whether the sale agreement through which Leeds sold the "general estate agency" in Sudbury in fact covers any goodwill under the name Sworders in respect of surveying services. Nevertheless, it appears that the applicant's business has held itself out as offering surveying services from the time that it was sold by Leeds in 1989 (see exhibits TMW4 and TMW8 to Mr West's first witness statement). I find that the factual situation in this regard is as described by Mr Snow (as recorded at paragraph 116 above).

Whether there is evidence of the parties' advertisements causing confusion

120. Both parties complain of confusion caused by the other. Mr Hudson complains that Mr West's business advertisements of its properties in the Herts and Essex Observer starting in 2001 caused his business to receive a significant number of mis-directed phone calls, although he did not keep details of these.

121. Mr West complains that his business received mis-directed phone calls when Sworders Agricultural advertised a building plot for sale in 2002 by way of a road side hoarding at Takeley (which is between Bishop's Stortford and Sudbury but closer to the former). Again there are no more details. Mr West partly attributes this alleged confusion to the greater emphasis given by the opponent's business to the name

Sworders following the re-branding of Sworders Agricultural in 2002. Mr Hudson attributes the confusion to the fact that Mr West's business had by then started advertising in the Bishop's Stortford area.

122. There is therefore little concrete evidence of confusion, but there is an acceptance that at various times the different Sworders businesses have been wrongly assumed to be connected. Indeed, Mr Hudson's business positively cultivated such a perception in the past (with G.E.Sworder Ltd), and Mr West's business still does (with Sworders in Bury St Edmonds) .

The meeting between Mr West and Mr Hudson in May 2001 and Mr West's state of knowledge at the date of his trade mark application.

123. Mr West's written evidence (his first witness statement dated 27 January 2004) is that around May 2001 (that is following his advertisement under the name Sworders in the Herts and Essex Observer which circulates in Bishop's Stortford), he received a visit from Mr Hudson, who he knew of but had not met before. Mr West states that he believes that that Mr Hudson's original intention in visiting him was to express his displeasure at his (Mr West's) use of the trading name Sworders. However, according to Mr West, once Mr Hudson discovered that his business had been using the name since 1974, his tone changed and he suggested a co-existence agreement. The purpose of this co-operation, according to Mr West's evidence, was that Mr Hudson wanted to open a number of residential estate agents, starting with one in Bishop's Stortford. Mr West further states that:

"I am absolutely clear in my recollection that at no time did Mr Hudson indicate to me that he was practicing as a residential estate agent."

124. Mr Hudson's written evidence in reply contains a denial that he told Mr West of plans to open a residential estate agency. He says that he told Mr West that the advertisements issued by his business were causing him, Mr Hudson, to receive a significant number of phone calls, but that his approach was made "in an entirely positive manner" and that, contrary to what Mr West may have thought, the existence of Mr West's business did not come as news to him.

125. During examination, Mr West maintained his version of the meeting. In response to a question about Mr Hudson telling him that his advertisements had caused Sworders Agricultural business to receive mis-directed phone calls, Mr West stated that he could not recall Mr Hudson raising that matter with him. Rather, his recollection was that Mr Hudson had been concerned about the effect the advertisements may have had on his plans to expand his business. Mr West stated that he considered Sworders Agricultural to be agricultural and land agents. This prompted Miss May to ask him:

Q: You know it to be within the remit of a land agent to market and sell and let commercial and residential property. They may not do it in the same way as an estate agent, but you know that they do it?

A: Occasionally, some do it if they are disposing of surplus properties. More usually they are selling old barns or buildings that are no longer required for

agriculture. Some do, some do not. Some just give it to an estate agent and say, “You know what are doing. You go and do it.” But my perception and understanding of Sworders Agricultural was that they were an agricultural and land agency business. It had next to nothing to do with selling houses because that had always been the remit of the G.W. Sworder operation in Bishop’s Stortford.

126. There is no reason to doubt Mr West’s description of his understanding of the historical role of the businesses of G.E.Sworder and Sworders Agricultural in Bishop Stortford’s. It is consistent with the evidence. It is not possible to be sure whether Mr Hudson told Mr West of the mis-directed phone calls that his business had received following Sworders advertisements. He may have done but it seemed clear to me from listening to the examination of Mr West that his perception of the meeting was dominated by the message that Mr Hudson wanted to move into residential estate agency. Mr Hudson denies making such a statement.

127. What it clear is that in the autumn of the year before the meeting between Mr West and Mr Hudson, G.E.Sworder in Bishop Stortford had been sold to Savills, who did not wish to continue the business under that name. At the beginning of the year following the meeting (2002), Mr Hudson modernised his business’s branding so as to make the word ‘Agricultural’ less prominent, and at the same time altered the description of his business on his letter headed paper so that the word ‘Residential’ appeared for the first time. Mr West may have been mistaken in thinking that Mr Hudson stated that he had plans to open a residential estate agents office as such, but I think it very likely that Mr Hudson had plans to extend the residential side of his business at the time of his meeting with Mr West, and I think it more likely than not that Mr West took receipt of that message at their meeting.

128. As I noted above, there is no evidence of Mr Hudson’s business having advertised residential properties through local publications prior to the date of the trade mark application. There is only one recorded instance of advertising such a property in a national publication. Based upon this and my assessment about what Mr West took from the meeting with Mr Hudson, I find that Mr West was not aware that Sworders Agricultural had an established business trading in residential real estate at the time of making the trade mark application. He thought that Mr Hudson had plans to move into this area. Mr West’s understanding of Mr Hudson’s existing business was that of agricultural surveyors and land agents.

The Passing Off Right Claim

129. Section 5(4)(a) of the Act states that 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.”

130. The requirements to succeed in a passing off action are well established and are summarised in *Halbury’s Laws of England* 4th Ed. as being:

- i) that the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to deceive the public; and
- iii) that the claimant has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

131. It is not necessary for a misrepresentation to go as far as to suggest that the services of the defendant are those of the claimant. It is sufficient if there is a misrepresentation that one business is associated with another: see, for example, *Sir Robert McAlpine Ltd v Alfred McAlpine* [2004] RPC 36 at paragraph 19. Damage to goodwill may include reducing the exclusivity in a name by which the goodwill is known: *Taittinger SA v Allbev Ltd* [1993] FSR 641.

132. Further, it is well established that a claimant does not need to establish that he has a national reputation and goodwill in order to prevent the use by another party of a conflicting name or mark if it is liable to cause damage to his less-than-national goodwill and reputation: *Chelsea Man Menswear v Chelsea Girl Ltd* [1987] RPC 189.

133. Further still, goodwill can be shared by two or more people and a claimant can, in appropriate circumstances, succeed in a passing off action against a joint owner of the goodwill: *Sir Robert McAlpine Ltd v Alfred McAlpine*.

134. On behalf of the opponent, Miss May submitted that:

- i) his business had established an exclusive goodwill under the name Sworders by the date of the trade mark application, at least in the locality of Bishop's Stortford, and
- ii) the applicant's use of the mark Sworders in relation to estate agency services had and/or would be likely to deceive people in some undefined area around Bishop Stortford into thinking that the applicant's business is that of the opponent, or at least is connected with it.

135. On behalf of the applicant, Mr Silverleaf submitted that:

- i) the evidence showed that the opponent has no substantial goodwill as a general residential and/or commercial estate agent;
- ii) his business is that of a land agent advising and acting for landowners in transactions;
- iii) he cannot therefore have any right to challenge or interfere with the applicant's use of the name Sworders in relation to the business of general residential and commercial estate agency;

- iv) the claim must fail anyway because the applicant has been using the name Sworders since before the opponent, on his own case, began to act as a residential estate agency.

136. Turning to the first of Miss May's submissions, I regard it as obviously wrong that the opponent enjoyed an exclusive goodwill in the name Sworders in the locality of Bishop's Stortford at the date of the trade mark application. On the contrary, it is clear on the evidence that the opponent would have shared any goodwill in that name with the long established estate agency business of G.E.Sworder Ltd. Although that business was sold to Savills in September 2000, who appear to have continued the business under their own name, it is inconceivable that the residual goodwill from such a long established business would have evaporated by June 2001 when the application was filed. However, as noted above, a goodwill can be shared between two parties with the result that, even though they may not be able to sue each other, they may still have a cause of action against third parties. Accordingly, it is not decisive that the opponent's business was not the only business in the Bishop's Stortford area at the date of the application associated with the Sworders' name.

137. Before turning to Miss May's second submission, I find it convenient to consider Mr Silverleaf's submissions. Much of the parties' arguments and evidence are directed at establishing whether Mr Hudson's business can or cannot be properly regarded as being that of a general residential and commercial estate agent. In my view, whilst such a consideration is relevant it is not decisive. Showing that Sworders Agricultural is not a high street estate agent (which is not in dispute) or even that it would not usually be described as an estate agency does not necessarily mean that the opponent's goodwill does not extend to the services listed in the application.

138. The opponent's business offered a small number of residential properties for sale by the date of the application. It had also offered for letting a larger (although still smallish) number of residential properties, and this lettings business had been going on for seven years by that date. The business had also been involved in the sale of a number of barns and a building plot, all with planning consent for conversion into residential properties, which Mr West accepted under examination was work which he would have accepted as an estate agent.

139. It is true that the law of passing off does not protect businesses with insubstantial goodwill. *Hart v Relentless Records* [2003] FSR 36 is an example of such a case. However, in my judgment the opponent's case does not fail because he had insufficient goodwill to protect. There are two reasons for this. Firstly, although I have found that the opponent's business conducted only a small number of residential sales and lettings by the date of the application, this activity was not commercially insignificant in the way that the claimant's business was in *Hart v Relentless Records*. Secondly, the opponent's goodwill at the date of the application falls to be assessed as a whole insofar as it stems from the provision of services in respect of which the concurrent use of the name Sworders by a third party is likely to cause deception. In my view, the use of the names Sworders Agricultural and Sworders by two unconnected parties in the same locality for, on the one hand, an agricultural surveying and land agency with a small associated business in residential property sales and lettings and, on the other hand, a general residential and commercial estate

agency, is prima facie liable to cause customers to wrongly believe that the businesses are owned by the same party or are otherwise economically connected.

140. It is easy to see this if one puts to one side the complicated history of Sworders' history and considers what the position would have been had Sworders Agricultural been the only business operating under a Sworders name prior to the date of the application. Would the opponent then have been in a position to prevent a new business opening a non-agricultural estate agency and surveying business called Sworders in Bishop's Stortford? In my view, the use of the name by the new business in those circumstances would have been held to be a misrepresentation likely to damage the goodwill of the established local business.

141. Accordingly, I reject Mr Silverleaf's second submission that the opponent's business was limited to that of being a land agent at the date of the application, and further find that, contrary to Mr Silverleaf's third submission, conducting such a business is not, in principle, irrelevant to the question of whether the opponent would be entitled to object to an estate agency starting to trade in the Bishop's Stortford area under the name Sworders.

142. This brings me to Mr Silverleaf's fourth submission – that the applicant is in fact the senior user of a Sworders' name. The applicant's goodwill as a general estate agency in Sudbury originates from one of the partnerships which sold its business to Leeds in 1987. The opponent's goodwill as an agricultural estate agent and surveyor stems from the original Sworders business in Bishop Stortford, which also goes back many years. There is no doubt that the continuation of those businesses in those locations under those names could not be challenged by either party, either because the concurrent use of the names would not amount to a misrepresentation and/or because either would be able to claim an equitable defence. As Oliver L.J. said in *Habib Bank Ltd v Habib Bank AG Zurich* [1982] RPC 1 at 24:

“Where you find that two traders have been concurrently using in the United Kingdom the same or similar names for their goods or businesses, you may well find a situation in which neither of them can be said to be guilty of any misrepresentation. Each represents nothing but the truth, that a particular name or mark is associated with his goods or business.”

143. Similarly, the applicant could not have complained about G.E.Sworder Ltd trading as a general estate agency in Bishop's Stortford up until September 2000, and nor could that business complain about the applicant conducting the same business under the name Sworders in Sudbury. But that does not mean that these businesses necessarily had a right to expand into the territory of the other.

144. In this connection I note that in Christopher Wadlow's publication, 'The Law of Passing Off' (3rd Ed) it is noted (at 9-93) that:

“It quite frequently happens that two or more businesses may use the same name, mark or get-up in different geographical areas without difficulties arising, but may come into conflict when one or both of them expands. The basic rule is that each may use that name, *etc.*, in its home territory, but that

established rights in one area do not provide a defence should one business expand into an area where the name denotes the other.”

145. The author bases this view on a number of authorities including *Cavendish House v Cavendish-Woodhouse* [1970] RPC 234 and *Levey v Henderson-Kenton* [1974] RPC 617. I note that both of these cases also involved the expansion of a business with an established goodwill into a locality in which another party enjoyed a relevant but local goodwill. It appears to me that the applicant’s application to register the name Sworders on a national basis is the equivalent of a notional expansion of the applicant’s business into a national one covering, inter alia, the area in which the opponent enjoys a goodwill under the name Sworders Agricultural.

146. By the date of the application the opponent’s business was providing services which were, in some respects, indistinguishable from those long provided by the applicant in the Sudbury area. This expansion of the opponent’s business began, at the earliest, in 1993. Accordingly, viewed from the perspective of when a direct overlap of services first occurred, I accept Mr Silverleaf’s submission that the opponent is the junior user of the Sworders name in relation to non-agricultural estate agency services.

147. I have carefully considered whether this conclusion is, as Mr Silverleaf submits, sufficient of itself to defeat this ground of opposition, at least as far as the opposition to the registration of the mark for non-agricultural estate agency services are concerned. My conclusion is that it is not. Firstly, the seniority of the applicant’s goodwill and reputation for these services is largely local to Suffolk. In these circumstances it does not necessarily follow that the applicant’s standing as the senior user of the name Sworders in relation to non-agricultural estate agency services must prevent a junior user of a similar name objecting to an expansion of that business into a geographical area in which his business has acquired a relevant concurrent but junior goodwill. In this connection, I note that in the case of *Levey v Henderson-Kenton* (cited above) the successful plaintiff was the junior user of the name in terms of time. Secondly, the opponent does not only rely upon that part of the goodwill in his business which arises from residential sales and lettings. He also relies upon the goodwill in his business as surveyors and land agents. This part of the opponent’s goodwill, which is recorded in the sale agreement from Leeds as ‘agricultural surveyors and (agricultural) estate agents’, appears to enjoy equal seniority to that of the applicant’s goodwill as a general estate agent. But the use of similar names in the same locality for these services is capable of giving rise to deception.

148. The respective businesses have in the past been conducted in largely separate geographical locations, which has limited the likelihood of deception occurring. Accordingly, Miss May identified the applicant’s first advertisement under its own name in the Bishop’s Stortford area on 3 May 2001 as being the start of the behaviour complained about, which is the appropriate point to assess a passing off claim. Mr Silverleaf was of the view that the matter fell to be assessed as of the date that the applicant first provided services of the kind listed in the application, but this is really a just a corollary of the submission that the applicant’s status as senior user of the name for the services which directly overlap is decisive, which I have rejected. Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4(4)(b)

of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. In this case the dates are only about a month apart and nothing appears to turn on that difference (at least for the purposes of assessing the s.5(4)(a) claim).

149. As to the likelihood of deception through mis-association, Mr West was asked the following questions during cross examination:

Q: Mr West, can you tell me, please, what you understand by the phrase agricultural real estate services?

A: The management, sales, lettings and giving advice relating to land, farms. Farm buildings, if you like, in the rural environment. In today's world that includes looking at the use of agricultural land for alternative purposes, and that includes building houses on it. That includes advising farmers on whether they need to sell their house to Bovis Homes. In the case of Mr Hudson's business, which is based particularly in the M11 corridor, that is one of the south of England's biggest areas for new house building on farm land, the role of agricultural and land agent is very important."

150. Accordingly, Mr West appears to accept that the opponent's business covers looking at agricultural land and buildings for alternative purposes, including residential use. Mr West was also asked whether there would be confusion if the situation was reversed and the opponent opened a branch in his area.

Q: If the opponent opened an office in Sudbury doing the business that he is doing now, you accept, do you not, that would cause confusion with you because he is offering to sell properties and so are you?

A: If he was holding out as an estate agent and offering to sell general properties, then it would cause confusion. If it was like the Gate House in Hadham (the opponent's address), two miles outside Sudbury, an agricultural land agent, and it was called Sworders Agricultural as the vast majority of his business had been for many years, then I do not think it would cause confusion. I think people would think that is another part of Sworders. They are somehow associated.

151. I understand this response as indicating that if the applicant's business were an agricultural land agent and situated in the same locality then people (including, presumably, those seeking to sell or let property of various types) would assume that Sworders Agricultural was part of Sworders. That accords with my own assessment of the matter and, as noted in the *McApline* case cited above, a false claim of association can be a form of misrepresentation.

152. The fact that the opponent's business was known to a section of the public in the Bishop's Stortford area (as the evidence of the evidence of Barclay, Mynott and Collins shows) as also having been active in property lettings and, to a lesser extent, the sale of property and land for residential and commercial use, adds to the case for

concluding that the applicant's use of the name Sworders in relation to the services listed in the application would have caused confusion if such use was in respect of properties in the Bishop's Stortford area.

153. The division and sale of the original Sworders' business into separate local businesses under similar names carried with it the almost inevitable risk that some people would be confused into thinking that the businesses were still connected. I do not therefore think that the risk of confusion is *per se* sufficient to constitute a misrepresentation. As Lord Greene M.R. stated in *Marengo v Daily Sketch* [1992] F.S.R. 1 at 2:

“No one is entitled to be protected against confusion as such. Confusion may result from the collision of two independent rights or liberties and where that is the case neither party can complain; they must put up with the results of the confusion as one of the misfortunes which occur in life. The protection to which a man is entitled to protection is protection against passing-off, which is a quite different thing from mere confusion.”

154. The dividing line between mere confusion and a misrepresentation leading to deception is a fine one. In this case the distinction, in my view, arises at the point at which either party changes their business in a way that significantly increases the likelihood of deception. In my judgment, the applicant's decision to advertise his Suffolk properties in, inter alia, the area of Bishop's Stortford should not be regarded as significantly increasing the likelihood of deception. It must have been accepted that the partly geographical splitting of the original business entitled the successor businesses to seek buyers for their properties from outside the localities in which they were based. What the applicant did is no different, in principle, to the opponent advertising his properties in Essex in *Country Life*, which circulates throughout the UK, including in Suffolk where the applicant conducts his business.

155. However, if the applicant were to go further and open a branch of his business in the Bishop's Stortford area, or otherwise seeking instructions in relation to the selling or letting of properties in that area (which is within what I am required to contemplate as normal and fair use of the mark applied for), then that would amount to a misrepresentation, in my view, because it would substantially increase the likelihood of deception over and above that which must have been envisaged and accepted as tolerable when the opponent's predecessor in business bought one of five parts of the original business from Leeds in 1989.

156. Would such a misrepresentation have resulted in damage to the goodwill of the opponent's business? In my view it would. Firstly, such an extension of the applicant's use would have further eroded the exclusivity in the name Sworders in the Bishop's Stortford area. Secondly, it would have increased the risk of any damage to the reputation of the applicant's business 'rubbing off' on the reputation of the opponent's business. Thirdly, such an extension of the applicant's business would have been liable to result in some diversion of business from the opponent. In making these findings I observe that the area in which properties are located generally accords with the area in which the persons selling or letting the properties are located. It would be unusual to place a property with an estate agent who was not local to the area in which the property is located. Estate agency is a local business in this sense. In

England and Wales it is the person selling or letting a property who chooses which estate agent to place his or her property with, and it is this customer who pays the estate agents fees. Accordingly, damage to the opponent's business is most likely to occur if this group of customers is deceived into thinking that the businesses are in the same ownership. That would be far more likely to occur if the applicant and opponent appeared to be collaborative ventures to this group of customers when in fact they were competing for instructions in respect of properties in the same area.

157. I therefore find that the applicant's use of the mark *Sworders* in relation to a business offering to sell or let residential or commercial properties in the Bishop's Stortford area would have constituted a misrepresentation. I further find that a misrepresentation of that kind would have been liable to have caused damage to the opponent's local goodwill. Consequently, such use would have been contrary to law.

158. A finding that the use of the mark would, to some extent, be contrary to law is sufficient to engage the ground of refusal set out in s.5(4)(a) of the Act, at least in the absence of a voluntary restriction of the registration under s.13 of the Act. The applicant has not put forward such a voluntary limitation of his application, and I do not think that it is for me to propose such a limitation. Nevertheless, it seems to me that the wording of s.5(4)(a) invites, and possibly requires, a finding as to "the extent that, its (the trade mark's) use in the United Kingdom is liable to be prevented." Accordingly, I will endeavour to provide such a finding.

159. Firstly, the reliable evidence shows that the opponent's business enjoyed a goodwill at the relevant date in parts of the counties of Hertfordshire and Essex covering, at most, a rural area of about 20 miles around Bishop's Stortford. That does not necessarily mean that use of the mark could not have prevented over a wider area because as *Chelsea Man v Chelsea Girl* (cited above) shows, that would depend upon what would have been necessary to protect the opponent's goodwill, and this need not have been limited to the area in which the opponent's mark has been shown to have had a goodwill or reputation at the relevant date.

160. However, it does not follow that a local goodwill would have justified a national injunction. The *Chelsea Man v Chelsea Girl* case involved a trade mark used for goods, which are inherently likely to travel once they are placed on the market. As Nourse L.J. stated (on page 207 of the report, at lines 24-40):

"The modern market in men's clothing is one in which the mark or label bears much influence. Even where clothes are distinctive of their origin a purchaser will often check the label first. And where they are not distinctive the label is often decisive of the purchase. In men the glass of fashion does not yet reflect the volatility of women. The goods are durable and, as the learned judge observed, the label remains a reminder of their origin. At the same time, their nature is not such as to give them any inherent association with a particular place or area and the mobility of those who wear them can carry the trader's reputation far and wide.

It is this last consideration which distinguishes men's clothing from evening newspapers and restaurants and, no doubt, other cases where it has been held that a trader with no more than a local reputation is not entitled to an

injunction to prevent passing off outside the locality. It is important to emphasise that in each of those cases the plaintiff failed to establish a cause of action, either because his reputation was inherently local or, which may come to the same thing, because there was no real likelihood of confusion outside the locality. Here the contrary is established, not only by the nature of the goods themselves but by the essential facts of the case. It is not one where either the reputation or the likely confusion is truly local.”

161. The goodwill enjoyed by the opponent’s business at the date of the application did not involve goods that travel carrying the mark, but rather on a business promoted mainly through word-of-mouth recommendation in relation to services provided almost exclusively in relation to property in a rural area around Bishop’s Stortford. Indeed, at least in relation to non-agricultural estate agency services, the opponent’s case depends partly upon the local nature of the parties’ respective goodwill because if that element is removed the applicant is simply the senior user of the name *Sworders* for such services.

162. Against this background of the applicant’s seniority, and taking account of the reliable evidence before me as to the geographical scope of the opponent’s business at the relevant date, I take the view that the opponent’s earlier local right was sufficient to prevent use of the applicant’s mark in relation to the services of a residential and commercial estate agency offered in respect of properties in the Counties of Hertfordshire and Essex, which are to the West of the town of Braintree and further than 20 miles from the centre of Sudbury.

163. The applicant’s specification includes a number of services in Class 36 which go hand in hand with residential and commercial estate agency services, including (non-agricultural) real estate appraisal, leasing of real estate, renting of apartments and flats, renting of houses, rental of offices, rental of commercial premises, property and apartment house management services (which seem to cover letting services), which I think fall to be treated in the same way as real estate agency services.

164. The application also includes housing agents and real estate brokers, which both appear to cover the buying of properties for third parties. Such services are materially different from those that the applicant has provided, but are similar to services which the opponent has provided. Consequently, to the extent that these descriptions cover property purchasing services for others, the opponent’s case is stronger and cannot depend on the location of the properties in question.

165. The application also covers ‘land surveying for residential and commercial property’ and ‘surveying residential and commercial properties’ in Class 42. The extent of the applicant’s provision of these surveying services is not as fully addressed in the applicant’s evidence as the extent of his business as an estate agent. Nevertheless, I think that it is clear that the applicant’s local goodwill includes such services, and that they had been provided since 1989. I am not, however, persuaded that the applicant should necessarily be regarded as being the senior user of a *Sworders*’ name in relation to surveying services. This is because the opponent’s goodwill as an agricultural surveyor appears to be senior in time (surveying services not having been included in the sale agreement for the Sudbury business). Accordingly, the position is somewhat the reverse of the position between the parties

with regard to the use of their marks for agricultural estate agency and general estate agency, where the applicant is senior in time. I believe that a court would take into account the relative seniorities of the parties' use in determining the extent of any injunction that would be required in order to protect the goodwill of the concurrent but junior user. I therefore find that the applicant's use of Sworders for non-agricultural surveying services would have amounted to passing off at the relevant date subject to the applicant's concurrent goodwill. In my view, the applicant's local goodwill in Suffolk in relation to surveying residential and commercial properties and land for such properties, would have been sufficient to defeat a passing off claim brought against him by the opponent in respect of the continued provision of those services in Suffolk.

The Bad Faith Claim - Section 3(6)

166. Section 3(6) of the Act is as follows:

(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith

167. This provision originates from Article 3(2)(d) of European Directive 104/89. The correct approach to bad faith was set out by Lindsay J. in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 (at 379) in which the judge stated that bad faith:

“...includes dishonesty and...includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”

168. In *China White* [2005] FSR 10, the Court of Appeal decided that the 'combined test' they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under s.3(6) of the Act. In *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 Lloyd's Rep. 225, the Privy Council clarified that the House of Lords' judgment in *Twinsectra* required only that a defendant's state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct.

169. The test to be applied under section 3(6) of the Act is therefore whether the applicant had sufficient knowledge of relevant matters so as to make his application for registration dishonest or below the standards of acceptable commercial behaviour observed by reasonable and experienced men in the relevant field.

170. For the opponent, Miss May sought to rely upon the factual findings of the court in *China White* to the effect that that applicant's attempt to appropriate the trade mark of another was an act of bad faith. Miss May submitted that the same applied where an applicant knew that he held a shared ownership of a goodwill represented by a name and sought to obtain through registration an exclusive right to the name. And even if the applicant did not know the extent of the opponent's business, the meeting between the parties placed him under an obligation to find that out before filing a trade mark application.

171. Whilst I see the attraction of the general proposition that it is bad faith to seek an exclusive right in relation to something that you know someone else owns, or part owns, each case must depend upon its own facts. The facts in this case are not, in my view, comparable to those in *China White*. Firstly, the applicant in this case has a long established goodwill in relation to general estate agency services, and is in fact the senior user in time of a Sworders name for those services. Secondly, the applicant excluded from his application those services which at the time of the application he reasonably believed covered the business conducted by the opponent. Thirdly, the applicant reasonably believed that the opponent intended to expand that business and move into residential estate agency, which was his primary business. The applicant was therefore entitled to regard his application for registration as a proportionate response to the perceived threat to his business posed by the opponent's plans, as he understood them. I do not think that, in these circumstances, he was under any obligation to make further enquiries before acting to protect his established business.

172. I was advised at the hearing that since the date of the application the opponent has in fact accepted an instruction to sell a residential property in the Sudbury area where the applicant is based, which in my view rather bears out the applicant's concerns.

173. I therefore reject the ground of opposition under s.3(6). Even if I am wrong about that, I do not think that the bad faith objection would succeed to any greater extent than set out in my findings in relation to the s.5(4)(a) objection. Miss May submitted that a bad faith objection could not be overcome by a geographical or other limitation of the application because bad faith goes to the motives of the applicant and cannot be saved by a technical cure. One might well think that an application is either made in good faith or not. But in fact the language of the section expressly recognises the possibility that an application may be made partly in bad faith and partly in good faith. I see no reason why that should not extend to the geographical scope of the application, although in the absence of any such limitation of the application, that matter is academic.

Conclusion

174. The objection under s.5(4)(a) is made out in respect of housing agents and real estate brokers in Class 36. On the unlimited geographical basis upon which the application has been made, the objection is also made out in respect of the remaining services in Classes 36 and 42.

Costs

175. I indicated at the conclusion of the hearing that I would invite the parties to make written submissions on costs after they had my conclusions on the substantive issues. I will therefore allow the parties 21 days from the date shown below to provide any submissions which they wish me to take into account on the question of costs.

Effective Date of Decision – Period for Appeal

176. In order that the issue of costs does not become separated from the substantive issues for the purposes of any appeal, I will issue a final decision immediately after having considered the parties' submissions on costs. For the avoidance of doubt, that will be my decision for the purposes of Rule 62(1) of the Trade Mark Rules 2000, and the period for appeal will therefore run from that date.

Dated this 28th Day of July 2006

**Allan James
For the Registrar**

ANNEX A

APPLICANT'S EVIDENCE

1. Witness Statement by **Michael J Snow** - dated 26 January 2004
2. Witness Statement by **Timothy Michael West** - dated 26 January 2004
(26 Exhibits)
3. Witness Statement by **Bruno Munro** - dated 26 January 2004
4. Witness Statement by **Kelvin Whitfield** - dated 26 January 2004
5. Witness Statement by **Anthony J Mullucks** - dated 26 January 2004
(1 Exhibit)
6. Witness Statement by **Robert Ward-Booth** - dated 26 January 2004
7. Witness Statement by **Malcolm Lindsey** - dated 10 March 2004
8. Witness Statement by **Ian Springett** - dated 10 March 2004
9. Witness Statement by **Timothy Michael West** - dated 20 February 2006
(81 Exhibits)

OPPONENT'S EVIDENCE

1. Witness Statement by **Angus Anthony Hudson** - dated 23 December 2002
(12 Exhibits)
2. Witness Statement by **Robert Barclay** - dated 22 December 2002
3. Witness Statement by **Nicholas Mynott** - dated 23 December 2002
4. Witness Statement by **Jim Collins** - dated 20 December 2002
5. Witness Statement by **Helen Cock** - dated 23 December 2002
6. 2nd Witness Statement by **Angus Anthony Hudson** - dated 14 June 2004
(3 Exhibits)