

O-280-07

**TRADE MARKS ACT 1994**

IN THE MATTER OF APPLICATIONS Nos 2265643A & 2265643B  
BY MUSIC CHOICE LIMITED  
TO REGISTER TRADE MARKS  
IN CLASSES 9, 16, 35 38 & 41

AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS  
THERE TO UNDER NO 91600 & 91601  
BY TARGET BRANDS INC.

## BACKGROUND

1) On 29 March 2001 Music Choice Limited (hereinafter MC) of Turner House, 16 Great Marlborough St, London, W1V 1AF applied under the Trade Marks Act 1994 for registration of a series of two trade marks. Following examination they were divided into the following trade marks:

Mark	Number	Effective Date	Class	Specification
 <p>The applicant claims the colours red and white as an element of the mark.</p>	2265643A	29.03.01	9	Radio, television, video, telephone, mobile data communications and personal digital application apparatus and instruments; apparatus for receiving, processing, recording and/or reproducing audio, data, video, audio-visual and telephonic signals; audio, data and video recordings; pre-recorded films, compact discs, tapes; parts and fittings for all the aforesaid goods; downloadable publications, digital music, games, telephone tones, music and images; downloadable publications and digital music provided from the Internet and MP3 Internet web sites.
			16	Goods made of paper and cardboard; printed matter; photographs; stationery; instructional and teaching material; playing cards.
			35	The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase these goods from general merchandise Internet websites, television channels and telecommunications.
			38	Radio, television, video, audio and data broadcasting and transmissions; communications by telephone; subscription broadcasting and transmission; transmission and broadcasting of audio, audio-visual, data, music and entertainment programmes; delivery of digital music by telecommunications; mobile telephone communications services; teletext services.
			41	Production of radio, data and audio-visual programmes; audio, data and visual entertainment services; music and entertainment programme services; providing digital music from the Internet and from MP3 Internet websites; operating chat rooms; provision of data, information and advice relating to music, musical events and entertainment; rental, hire and leasing of audio and audio-visual signal receiving, processing, recording and/or reproducing apparatus, radios, televisions and MP3 players.
	2265643B	29.03.01	9	Radio, television, video, telephone, mobile data communications and personal digital application apparatus and instruments; apparatus for receiving, processing, recording and/or reproducing audio, data, video, audio-visual and telephonic signals; audio, data and video recordings; pre-recorded films, compact discs, tapes; parts and fittings for all the aforesaid goods; downloadable publications, digital music, games, telephone tones, music and images; downloadable publications and digital music provided from the Internet and MP3 Internet web sites.
			16	Goods made of paper and cardboard; printed matter; photographs; stationery; instructional and teaching

				material; playing cards.
			35	The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase these goods from general merchandise Internet websites, television channels and telecommunications.
			38	Radio, television, video, audio and data broadcasting and transmissions; communications by telephone; subscription broadcasting and transmission; transmission and broadcasting of audio, audio-visual, data, music and entertainment programmes; delivery of digital music by telecommunications; mobile telephone communications services; teletext services.
			41	Production of radio, data and audio-visual programmes; audio, data and visual entertainment services; music and entertainment programme services; providing digital music from the Internet and from MP3 Internet websites; operating chat rooms; provision of data, information and advice relating to music, musical events and entertainment; rental, hire and leasing of audio and audio-visual signal receiving, processing, recording and/or reproducing apparatus, radios, televisions and MP3 players.

2) The opponent, Target Brands Inc. (hereinafter Target) of 1000 Nicollet Mall, Minneapolis, Minnesota 55403, United States of America filed notices of opposition on 8 April 2003. The grounds of opposition, subsequently amended, are in summary:

a) Target is the proprietor of the following mark:

Mark	Number	Effective Date	Class	Specification
	CTM 1771237	24.07.00	35	Business services in the nature of assistance and advice in the establishment of retail department stores in the field of men's, women's, children's and infants' clothing and accessories, jewellery, clocks, and watches, health and beauty aids, pharmacy and prescriptions, optical supplies, cigarettes and tobacco, records and tapes, books and magazines, men's, women's, children's and infants' shoes, furniture and rugs, trees, plants and flowers, toys and athletic sporting goods, hobby and crafts supplies and equipment, tire, battery, oil, antifreeze and automotive accessory, guns and ammunition, bedding, linens, curtains and draperies, cameras, calculators and telephones, computer hardware, software and accessories, bicycle and bicycle accessories, automotive maintenance and repair supplies and equipment, pet equipment and supplies, gift shop, house wares and tableware, radio, television and sound equipment, video recorders, video tapes and video games, tools and hardware, fishing, boating, camping and hunting equipment, garden, lawn and patio equipment and supplies, stationery, office and school supplies, small electrical appliances, electrical and plumbing maintenance and repair supplies and equipment, bakery goods, picture frames and mirrors, and Christmas trees, ornaments, decorations, lights and accessories; none of the aforesaid services being market

				research services; none of the aforesaid services being employment agency or personnel management consultancy services.
			42	Provision of food and drink; retail advisory services in the operating of retail department stores in the field of men's, women's, children's and infants' clothing and accessories, jewellery, clocks, and watches, health and beauty aids, pharmacy and prescriptions, optical supplies, cigarettes and tobacco, records and tapes, books and magazines, men's, women's, children's and infants' shoes, furniture and rugs, trees, plants and flowers, toys and athletic sporting goods, hobby and crafts supplies and equipment, tire, battery, oil, antifreeze and automotive accessories, guns and ammunition, bedding, linens, curtains and draperies, cameras, calculators and telephones, computer hardware, software and accessories, bicycle and bicycle accessories, automotive maintenance and repair supplies and equipment, pet equipment and supplies, gift shop, house wares and tableware, radio, television and sound equipment, video recorders, video tapes and video games, tools and hardware, fishing, boating, camping and hunting equipment, garden, lawn and patio equipment and supplies, stationery, office and school supplies, small electrical appliances, electrical and plumbing maintenance and repair supplies and equipment, bakery goods, picture frames and mirrors, and Christmas trees, ornaments, decorations, lights and accessories; none of the aforesaid services being vocational consultancy services.

b) The marks in suit are similar to Target's trade mark and the goods and services applied for are identical or similar. Target also has registered marks in the USA. Target has made substantial use of the above mark in the USA, and has created a considerable reputation in the said trade mark, and also in the Bull's Eye device worldwide including the UK. The marks are opposed under Sections 5(1), 5(2)(b), 5(3), 5(4)(a) and Article 6bis of the Paris Convention.

c) The marks are also opposed under Section 3(6) under two distinct heads (i) that MC had no bona fide intention of using the marks in suit on the full range of goods and services at the date of application. And (ii) that MC was aware of Target's use of the Bull's Eye device when it filed its applications, as Target's mark is a famous mark under Article 6bis of the Paris Convention. Target has had dealings with Warner Music and Sony who together formed MC. Both Warner Music and Sony have a presence on the Board of MC and therefore the trade marks were applied for in bad faith contrary to section 3(6) of the Act.

3) MC filed, on 3 September 2003, counterstatements denying Target's claims.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 16 & 17 July 2007 when Target was represented by Mr Alexander of Queens Counsel instructed by Messrs F J Cleveland. MC was represented by Mr Arnold of Queens Counsel instructed by Messrs Rosenblatt Solicitors.

## EVIDENCE SUMMARY

5) The evidence filed was identical in substance to that filed in the invalidity cases 81859 & 81860, which were heard at the same hearing. Whilst some statements were filed as exhibits under cover of additional witness statements which did nothing other than introduce the exhibits into the case. The sum total of the evidence and the exhibits was agreed by both parties at the Case Management Conference. I therefore attach the evidence summary from the invalidity cases as annex A.

## DECISION

6) Following the cross examinations Target withdrew the Section 3(6) ground in relation to the appropriation of the logo, although they still maintained the ground in relation to *bona fide* intention to use. Mr Alexander also accepted that if he could not persuade me on 5(2)(b) & 5(4)(a) then he could not win under Section 5(3).

7) I will first consider the ground under Section 3(6) which reads:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

8) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that...

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

9) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition, but has not shirked from indicating its characteristics. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, 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. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

10) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an

inquiry into the defendant's views about standards of honesty is required. The following passage from Lord Hoffman's judgment sets out the position as follows:-

“14.....[Counsel for the defendant] relied upon a statement by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, 174, with which the majority of their Lordships agreed:

“35. There is, in my opinion, a further consideration which supports the view that for liability as an accessory to arise the defendant must himself appreciate that what he was doing was dishonest by the standards of honest and reasonable men. A finding by a judge that a defendant has been dishonest is a grave finding, and it is particularly grave against a professional man, such as a solicitor. Notwithstanding that the issue arises in equity law and not in a criminal context, I think that it would be less than just for the law to permit a finding that a defendant had been 'dishonest' in assisting in a breach of trust where he knew of the facts which created the trust and its breach but had not been aware that what he was doing would be regarded by honest men as being dishonest.

“36. .... I consider that the courts should continue to apply that test and that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he set his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant's mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to “what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships' view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about those standards were.”

11) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on MC's, and in particular Ms Daly's, state of mind,

if I am satisfied that their (her) action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

12) Target is only pursuing its case with regard to MC's intention to use the marks applied for in relation to all of the goods and services for which they are registered. Target's position is that MC has only ever been involved in the production and broadcast of music and so at the time of application it had no bona fide intention of using the marks in suit upon all of the goods and services for which the marks are sought to be registered.

13) I was referred to the comments of Laddie J., at 863-864 in *Mercury Communications Ltd v Mercury Interactive (UK) Ltd* [1995] FSR 850 where he said:

“The power and value of a registered trade mark is not always appreciated. If a trader wishes to bring passing off proceedings he has to prove the existence of a reputation in his mark with potential customers. In the majority of cases this means that his common law rights will wither and disappear unless he continues to market and advertise his goods under the mark. Furthermore his rights are only breached if there is, or is likely to be, confusion in the marketplace which will cause him substantial damage. This should be contrasted with the rights acquired by a proprietor who registers a mark. His registration gives him a true monopoly. Subject to certain statutory defences, the proprietor will be able to restrain any trader who uses the same or a sufficiently similar mark on the goods covered by the registration. This is so even if, in the marketplace, no confusion is being caused. Indeed he will be able to sue for infringement even if he is not using his own registered trade mark (subject to it being removed if prolonged non-use is proved). Furthermore, with little effort any competently advised proprietor will be able to keep his registration in force indefinitely. It will be appreciated therefore that a trade mark registered for too wide a specification of goods may have the effect of giving the proprietor an indefinite monopoly over goods which are quite unrelated to his real trading interests.”

14) Counsel for Target contended that although the above case was in relation to the 1938 Act it was equally applicable to the 1994 Act. I do not disagree with this view. I was also referred by Target to the comments of Jacob J., in *Laboratoire De La Mer* TM [2002] FSR 51 where at paragraph 19 he stated:

“The decision is not particularly satisfactory (see the criticisms in Kerly's Law of Trade Marks and Trade Names (13<sup>th</sup> ed.) at para. 7-230). If it is right, however, there is simply no deterrent to applicants seeking very wide specifications of goods or services for CTMs – with all the greater potential for conflict that may give rise to. I understand that in practice OHIM are quite content to permit such very wide specifications – indeed often all the goods or services within a class are asked for and granted. The *Trillium* point will undoubtedly come up again- for it seems bizarre to allow a man to register a mark when he has no intention whatever of using it. Why should one have to wait until five years from the date of registration before anything can be done? Whatever the width of the “umbra” of the specification, it should also be remembered that the holder's rights to stop infringement or prevent registration

of a later similar mark extend to the “penumbra” of “similar goods “ section 10(2) of the U.K. Act, Article 5(1)(b) of the Directive and Article 9(1)(b) of the Regulation). A wide umbra means there is an even wider penumbra. Other traders, with a similar mark may not go into either the umbra or penumbra, whether by use or registration.”

15) The Section 3(6) ground is pursued in relation to the following goods and services:

In Class 9: Radio, television, video, and telephone and personal digital application apparatus; apparatus for receiving, processing, recording and/or reproducing audio, data, video, audio-visual and telephonic signals; pre-recorded films, compact discs, tapes; parts and fittings for all the aforesaid goods; downloadable publications; downloadable publications provided from the Internet and MP3 Internet web sites.

In Class 41: Operating chat rooms; rental, hire and leasing of audio and audio-visual signal receiving, processing, recording and/or reproducing apparatus, radios, televisions and MP3 players.

16) MC referred me to the comments of Neuberger J. in *Knoll AG’s Trade Mark* [2003] RPC 10 at paragraphs 22 & 23 where he observed:

“ 22.....The defendant made its application by reference to the terms set out in a Class identified in the Order, and, presumably consciously, only applied for registration in respect of some of the goods in that Class. That is scarcely redolent of greed, let alone bad faith.

23. More significantly, perhaps, there is no doubt that the defendant had a firm and settled intention to use the mark in issue for goods which fell within the class claimed and granted. In the circumstances, I think it is a little difficult to describe the defendant as wanting in good faith simply because it failed to draft its application more critically or with greater precision.”

17) For Target, Counsel contended that the above case was not on all fours with the instant case. In *Knoll* the applicant applied for “pharmaceutical preparations and substances”, whereas it was alleged that they only intended to use on products for the treatment of obesity. I agree with Counsel’s view that the view of Neuberger J. in *Knoll* is absolutely correct given the circumstances of the case, but that it cannot be read too widely. In the instant case the specifications are considerably wider within each Class heading.

18) MC also contended that the evidence filed, particularly that contained in the further information showed that they did have a bona fide intention to use the marks on a full range of goods and services. At bundle A tab 13 pages 342B to 342UU MC supplied a copy of a research document, dated 6 September 2000, published by INVESTEC Bank Ltd which formed part of a prospectus for potential investors. At pages 342Q-S the future strategy is mapped out and on subsequent pages the document states that the company will be seeking to provide access to music via televisions, computers and phones. It also states that they intend to increase revenues

by selling music related items such as CDs, concert tickets, books, merchandising and memorabilia. It was also clear from the cross examination of Ms Daly that the applicant had considered putting its logo on items such as set top boxes and televisions, and indeed had already had radios produced bearing its logo, albeit only as promotional giveaways.

19) It is notoriously difficult to ascertain the mindset of an applicant at the time of filing the application. The implication behind the allegation that there is no *bona fide* intention to use the mark on all the goods and services sought to be registered is that MC is attempting to clog the Register, presumably with the sole intention of preventing others legitimately registering the same or similar marks in relation to goods and services which would not conflict with MC's true field of activity. Such a finding requires direct evidence of such a calculated attempt, such as Board minutes, internal documents and the like, or a specification which is so far removed from what might legitimately be deemed as areas of potential expansion to be verging on the ludicrous. In the instant case the specification sought, whilst quite broad, does not fall into such a category. It is quite feasible to see why the advisors would arrive at the specification submitted. To my mind it appears to have been carefully selected to refer only to areas which might reasonably interest MC in the near future. Anticipating market conditions is extremely difficult, hence the legislation provides for marks to be reduced in specification or removed altogether following a period of grace where a business can attempt to grow.

20) It was claimed that MC had no intention of using the marks in suit with regard to "retail services" or undertaking business in on-line general stores. It was also stated that in the years following the application MC has not so much as sold a single CD on-line. To my mind, it was clear from the evidence that MC was very serious about selling merchandising related to the artists featured on their channels. Such merchandising takes many forms and covers a wide variety of items. It is an historical fact that the group Kiss made almost as much money from the sales of action figures or dolls of the group as they did from sales of albums. Merchandising covers plates, cups, clocks, bedding, photographs, toys, clothing and just about anything that a name or image can be placed upon in order to make the association with the artist and hence sell the product to the more gullible of the populace. As to the fact that no sales have been made, this is not evidence of lack of bona fide intention to use, merely an indication that MC's business, the industry itself or circumstances have altered and/or conjoined so that the company has either not been able to start trading or has simply changed its mind about the area of business it wishes to concentrate upon.

21) The ground of opposition under Section 3(6) of the Trade Marks Act therefore fails.

22) I next turn to the ground under section 5(1) which reads:

"5.- (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods and services for which the earlier trade mark is protected."

23) I look to the decision of the European Court of Justice (ECJ) in the *LTJ Diffusion S.A. v Sadas Vertbaudet S.A.* (case C-291/00) [2003] FSR 34 where at paragraphs 49-54 they stated:

“49. On the other hand, Article 5(1)(a) of the directive does not require evidence of such a likelihood in order to afford absolute protection in the case of identity of the sign and the trade mark and of the goods or services.

50. The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition implies that the two elements compared should be the same in all respects. Indeed, the absolute protection in the case of a sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered, which is guaranteed by Article 5(1)(a) of the directive, cannot be extended beyond the situations for which it was envisaged, in particular, to those situations which are more specifically protected by Article 5(1)(b) of the Directive.

51. There is therefore identity between the sign and the trade mark where the former reproduces, without any modification or addition, all the elements constituting the latter.

52. However, the perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well informed, reasonably observant and circumspect. The sign produces an overall impression on such a consumer. That consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question (see, to that effect, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26).

53. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by the average consumer.

54. In those circumstances, the answer to the question referred must be that Article 5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

24) I note that Target did not offer any submissions upon this point, nor did they formally withdraw the ground. Clearly, the marks of the two parties cannot be regarded as being identical, this must have been obvious, if not at the time of filing, certainly three years or so prior to the hearing. The ground of opposition under Section 5(1) fails.

25) I next turn to the ground under Section 5(2)(b) which reads:

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

(a)....

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

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

26) An “earlier trade mark” is defined in section 6, the relevant parts of which state:

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

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

27) Target is relying upon its CTM registration 1771237 which has an effective date of 24 July 2000 and is clearly an earlier trade mark.

28) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Mayer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

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

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

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

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

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

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

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

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

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

29) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed. Furthermore, I must compare the applicant's marks and the mark relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications.

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

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C. in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently

by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

31) I also have to consider whether the mark that Target is relying upon has a particularly distinctive character either arising from the inherent characteristics of the mark or because of the use made of it. Target’s mark consists of the well known English word “Target” and is accompanied by what is referred to by Target as a “Bull’s eye” device. To my mind the average consumer will see the device as an echo of the word and it will trigger a response to view the device as a “target” or “butt” similar to those used in archery. Target has not shown any use of the mark in the UK. In my opinion, Target’s mark is inherently distinctive for the goods and services for which it is registered. However, I do not accept that Target has provided evidence to support its contention that it should benefit from an enhanced reputation.

32) In the skeleton arguments this ground was reduced from the whole specification to only relate to the services in Class 35. The services in this class are identical in both MC’s marks so I shall only refer to a single specification. The relevant specifications of the two parties are as follows:

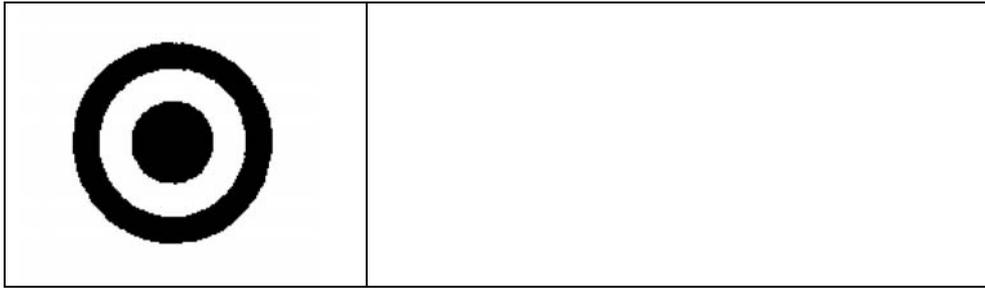
MC’s specification	Target’s specification 1771237
<p>In Class 35: The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase these goods from general merchandise Internet websites, television channels and telecommunications.</p>	<p>In Class 35: Business services in the nature of assistance and advice in the establishment of retail department stores in the field of men's, women's, children's and infants' clothing and accessories, jewellery, clocks, and watches, health and beauty aids, pharmacy and prescriptions, optical supplies, cigarettes and tobacco, records and tapes, books and magazines, men's, women's, children's and infants' shoes, furniture and rugs, trees, plants and flowers, toys and athletic sporting goods, hobby and crafts supplies and equipment, tire, battery, oil, antifreeze and automotive accessory, guns and ammunition, bedding, linens, curtains and draperies, cameras, calculators and telephones, computer hardware, software and accessories, bicycle and bicycle accessories, automotive maintenance and repair supplies and equipment, pet equipment and supplies, gift shop, house wares and tableware, radio, television and sound equipment, video recorders, video tapes and video games, tools and hardware, fishing, boating, camping and hunting equipment, garden, lawn and patio equipment and supplies, stationery, office and school supplies, small electrical appliances, electrical and plumbing maintenance and repair supplies and equipment, bakery goods, picture frames and mirrors, and Christmas trees, ornaments, decorations, lights and accessories; none of the aforesaid services being market research services; none of the aforesaid services being employment agency or personnel management consultancy services.</p>

	<p>In Class 42: Provision of food and drink; retail advisory services in the operating of retail department stores in the field of men's, women's, children's and infants' clothing and accessories, jewellery, clocks, and watches, health and beauty aids, pharmacy and prescriptions, optical supplies, cigarettes and tobacco, records and tapes, books and magazines, men's, women's, children's and infants' shoes, furniture and rugs, trees, plants and flowers, toys and athletic sporting goods, hobby and crafts supplies and equipment, tire, battery, oil, antifreeze and automotive accessories, guns and ammunition, bedding, linens, curtains and draperies, cameras, calculators and telephones, computer hardware, software and accessories, bicycle and bicycle accessories, automotive maintenance and repair supplies and equipment, pet equipment and supplies, gift shop, house wares and tableware, radio, television and sound equipment, video recorders, video tapes and video games, tools and hardware, fishing, boating, camping and hunting equipment, garden, lawn and patio equipment and supplies, stationery, office and school supplies, small electrical appliances, electrical and plumbing maintenance and repair supplies and equipment, bakery goods, picture frames and mirrors, and Christmas trees, ornaments, decorations, lights and accessories; none of the aforesaid services being vocational consultancy services.</p>
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33) There are differences in that Target's services in both Classes 35 & 42 are "advice and assistance" relating to retail stores, whereas MC's services are about actually running a retail outlet. Whilst these are in the same field, ie retailing, they are aimed at different customers. MC is actually operating a retail service selling to the general public via the Internet or telephone, whereas Target is offering assistance and advice on establishing a retail department store, would be aimed at entrepreneurs. The term "retail department store" suggests a physical entity, a high street shop. It is not a term readily coined in relation to internet stores. I do not regard the services as similar.

34) I therefore turn to the marks of the two parties. For ease of reference I reproduce them below:

MC's marks	Target's mark
<div data-bbox="347 1489 544 1682" data-label="Image"> </div> <p data-bbox="300 1756 596 1841">The applicant claims the colours red and white as an element of the mark.</p>	<div data-bbox="675 1518 1238 1630" data-label="Image"> </div>



35) In my view, the dominant and most distinctive feature of Target's mark is the word element. The device element would be seen as merely emphasising or echoing the word as it would be viewed as a "target" or "butt". It transpired during the course of the hearing that Target's device element follows the traditional dimensions of such target devices whereby the width of the rings is half the diameter of the centre circle. It was stated, and not disputed, that "these traditional proportions are used by the RAF and a number of clothing shops and brands referencing Mod fashion". By contrast, it was pointed out, that MC's mark has outer rings which are approximately a quarter the diameter of the centre circle. However, I do not believe that the average consumer exercising a reasonable amount of care would notice the difference between the devices. It was only really apparent when MC provided enlarged copies of both devices alongside each other. Visually the device elements of both marks are similar, but the word element is completely different. Aurally Target's mark will obviously be referred to as the "target" mark whereas it is not clear how the device of MC's mark will be viewed. It will probably be referred to as an "RAF" device, a roundel, a "button", a "bull's eye", a "centring device" or a "target". Conceptually Target's mark has a clear meaning whereas there is no obvious message in MC's mark. I must also take into account the concept of imperfect recollection. Overall I believe that the marks have a degree of similarity.

36) I must also consider the average consumer for the types of goods covered by the specifications outlined in paragraph 29 above. To my mind the average consumer for MC's services would be the general public, who are reasonably well informed and reasonably circumspect and observant. Selling via the Internet, whether it be by computer, television or telephone is a very different concept to actually going to a shop. MC is actually engaged in selling a range of goods to the general public. In contrast Target is offering advice and assistance on setting up retail stores. Although these stores would be selling to the general public the service offered by Target is aimed at business people, who when it comes to paying for advice are very circumspect and would ascertain background information about the company offering such services, such as their track record, before paying for advice from such a consultant.

37) Taking account of all of the above when considering the marks globally, I believe that there is not a likelihood of consumers being confused into believing that the services provided by MC are those of Target or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

38) I now turn to consider the next ground of opposition under section 5(4)(a) which reads:

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

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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

39) In deciding whether the marks applied for offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

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

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

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

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

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

the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

‘To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.’ ”

40) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording

of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the marks in suit (although not later), or the date at which the acts first complained of commenced – as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429. It is not clear when the marks were first used, although they did appear as a component in marks which MC has already had registered. To my mind they were not the dominant part of those marks, playing only a peripheral role and so I take as the relevant date the date of application 29 March 2001.

41) The first requirement under this ground is that Target must have acquired goodwill in the UK as at the relevant date. In Wadlow “The Law of Passing Off” at page 155 paragraph 3.68 states:

**“The existence of relevant goodwill in England**

The test for whether a foreign plaintiff may succeed in a passing-off action is normally stated in terms of whether his business has a goodwill in England. This criterion is broader than the obsolete statements that the plaintiff must have a business or place of business in England. Provided there are customers or ultimate customers for the plaintiff’s goods or services in England then the plaintiff stands in the same position as a domestic trader. It is of no importance whether the foreign plaintiff conducts his English business directly or through intermediaries of whatever legal status, nor whether his terms of trade provide for his goods to be sold in England in the sense of property in them passing to the buyer here. In *Anheuser-Busch v Budvar* [1984] F.S.R. 413, Oliver L.J. put the question in terms of the foreign business having customers directly or indirectly in the jurisdiction.

“The principle was expressed by Walton J [1980] RPC 343.....as follows:

‘As a matter of principle, no trader can complain of passing off against him in any territory...in which he has no customers, nobody who is in a trade relation with him. This will normally shortly be expressed by stating that he does not carry on any trade in that particular country...but the inwardness of it will be that he has no customers in that country; no people who buy his goods or make use of his services (as the case may be) there.’”

This is, I think, a helpful statement, but needs, in the light of the authorities, to be approached with the caveat that “customers” must not be read as confined to persons who are in a direct contractual relationship with the plaintiff, but includes persons who buy his goods in the market.’”

42) Later at page 162 paragraph 3.79 it is stated:

**“Foreign claimants with only reputation in England**

Reputation as such is a state of fact rather than a form of property capable of being protected by the laws of passing-off. If the claimant has or has had no significant number of customers in England, in the broad sense identified by

Oliver L.J. in *Budweiser* then he has no goodwill here which no amount of reputation can replace.

“[T]he plaintiff’s name *Budweiser* was well known to a substantial number of people in this country...as a name associated with the beer brewed by the plaintiffs in the United States. The plaintiff’s can thus legitimately claim that before the defendant’s entry into the market here, they had a reputation as brewers of a beer *Budweiser*, with a substantial section of the public. The question is whether this reputation associated with a beer which, for practical purposes, nobody could buy here, constituted goodwill in any relevant sense.”

In *Budweiser* the plaintiff’s reputation in England was acquired without any advertising directed at the English market. Even such advertising, however, is no substitute for goodwill. In the *Athlete’s Foot* case American press advertising which reached the UK was not shown to have generated any custom.....In the *Crazy Horse* case, *Bernadin v Pavilion Properties* [1967] R.P.C. 581, the plaintiff’s night club in Paris had distributed promotional literature to English tourist organisations and hotels. Pennycuik J. held that this was insufficient to constitute user in this country, and that the reputation the plaintiffs had in the wider sense was insufficient to found a passing-off action.”

43) Whilst suggesting that *Crazy Horse* may not be entirely good law Wadlow continues:

“Two of the central propositions in the *Crazy Horse* case are undoubtedly correct; advertising on its own does not amount to carrying on a trade and reputation is not a sufficient basis for a passing off action.”

44) In *South Cone Inc. v. Jack Bessant, Dominic Greensmith, Kenwyn House, Gary Stringer (a partnership)* [2002] RPC 19 Pumrey J. in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* [1946] 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus, the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date....”

45) This cannot be interpreted in a prescriptive fashion. There will be occasions when the evidence does not fall within the above parameters but still establishes goodwill for passing off purposes - see the decision of Professor Annand, sitting as the Appointed Person, in *Loaded* BL 0/191/02.

46) With these considerations in mind I turn to assess the evidence filed on behalf of the parties in the present proceedings as set out in the annex to this decision. Target has provided a vast volume of evidence relating to its activities in the USA. It has filed survey evidence which shows that it has a very high level of recognition amongst consumers in the USA. However, it does not sell its goods in the UK either directly or through an intermediary. Whilst it does have a Internet site, the goods ordered can only be delivered to an address in the USA. Reference has been made to the meetings in the UK with potential investors in Target. However, I do not accept that any of this constitutes goodwill. Mr Alexander also referred me to the evidence filed as to the number of American citizens resident in the UK, the number of visits made to the UK by USA citizens each year and also the number of visits made by UK citizens to the USA. These combined, he asserted, establish goodwill in the UK. He contended that it was inevitable, given the iconic status of Target in the USA, that from this group there would be a number of customers who have shopped at a Target store whilst in the USA. He relied upon *Pete Waterman Ltd v CBS United Kingdom Ltd* [1993] EMLR 27 for goodwill being established simply by the presence of customers in the UK whether or not there is a place of business or whether or not goods or services are provided in the UK. Whilst I accept that it is clear that the presence of customers can constitute goodwill, such a presence cannot be inferred simply by the presence of American citizens either resident or visitors. In the instant case Ms Daly, an American citizen who has lived in the UK for a number of years was aware of Target Stores in the USA but was not a customer of theirs. Target relied upon a survey of US consumers. However, this survey is not fully detailed and Mr Arnold called in to question the basis of the survey. The survey, even if it is accepted, merely established that Target has a reputation amongst US citizens. Therefore, there can be no inference that the same percentage of American citizens resident or visiting the UK are customers of Target as opposed to being aware of their existence. Even more tenuous is the assertion that a proportion of UK visitors to the USA will shop in Target and will actually be aware of the name of the store. To my mind Target has not shown that it has any goodwill in the UK.

47) However, in case I am wrong on the above point I will go onto consider the issue of misrepresentation. Earlier in this decision I found that use of the marks in suit, actual or on a fair and notional basis would not result in confusion with Target's mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail.

48) In the light of the above findings I do not need to consider the ground of opposition under Section 5(3) as Mr Alexander for Target accepted that 5(3) would follow the results under 5(2)(b) and 5(4)(a).

## **COSTS**

49) I have dealt with the costs in relation to the opposition cases in the parallel decision on invalidity cases 81859 & 81860

**Dated this 24th day of September 2007**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**

## ANNEX A

### TARGET'S EVIDENCE

5) Target filed five witness statements. The first, dated 8 February 2005, is by Toni Dembski-Brandl the Senior Counsel and Manager of the Brand Management Program for Target Brands Inc., a wholly owned subsidiary of Target Corporation. This statement simply introduced four other witness statements by Ms Dembski-Brandl all of which are dated 22 December 2004. She states that Target Corporation uses the Bull's Eye device under licence from the applicant. This is exhibited at TDB2. Henceforth I shall refer to both companies as Target. She states that Target is a major retail business operating over 1,100 retail outlets in the USA selling a wide range of goods. She states that it offers retail services under the Bull's Eye device and has done so since the mid 1960s. She states that the device is most commonly used in red.

6) Ms Dembski-Brandl states that it is the policy of Target to destroy any documents, with a few exceptions, over two years old. She states that the material exhibited is merely a sample of that available. She states that the Bull's eye device is used on its own without the word TARGET included and it is her belief that the device element alone is a well-known mark in the UK. She provides a brief history of the mark which includes at TDB3 an image of the device element on a store in October 1966. The device consists of three black rings and two white rings, with the word TARGET written across it. She states that as at October 2003 Target had 1,189 stores in 48 of the 50 US states and employed approximately 245,000 people. The company has been in the Fortune list of the top 100 companies in the USA for the last ten years. At TDB8 she provides examples of use of the device on notepaper and business cards, although none are dated. All show use of the device as shown in Target's CTM registration. She states that Target launched its website in 1997 and since 1999 has offered on-line retail services. She also provides turnover figures that show that in 2000 the company turnover was US\$36, 603 million.

7) Ms Dembski-Brandl states that in 1968 the Bull's eye device was redesigned from five circles (three red / black, two white) to three circles (two red/black one white). Although she also states that the inner ring is not actually a ring, it is an empty space through which the background shows through. She emphasises the importance of branding to her company and states that it uses the device element in all its activities. She also provides as exhibits examples of use of the device on promotional literature and also goods such as bags, cups and soft toys. There are also examples of advertisements, both in newspapers and on television. Unfortunately all of the use appears to be in the USA. For instance, at exhibit TDB32 a box full of circulars which were distributed throughout the USA is provided.

8) Ms Dembski-Brandl states that Target also advertised in a number of magazines produced by travel companies and airlines which are distributed during flights. At exhibit TDB35 she provides examples from 2003 from American Airlines, British Airways, Lufthansa and Carlson Hospitality worldwide magazine "Voyageur". All have the same advertisement which has a strapline "Jet. Set. Stop. Shop. In America. Target is your spot." Ms Dembski-Brandl also provides a number of exhibits regarding the opening of a store in New York, and also other advertising campaigns in the USA. Some of these advertisements have won awards. Other exhibits provide copies of

editorial comment in American newspapers and magazines. Details are also provided about sponsorship of sport and motor racing in particular. It is stated that Target has been involved with motor sport, NASCAR, CART and Indycar, since 1990. They have also sponsored BMX cycling since 2002. Target has also sponsored music awards such as the Grammy Awards. At exhibit TDB64 are copies of the programme for these awards in 2003 and 2004. In 2002 Target also sponsored a tennis tournament. Reference is also made to the Target Center in Minneapolis which hosts sports events such as National Basketball Association games which are televised. In 2002 and 2003 they supported the Los Angeles Film Festival.

9) Ms Dembski-Brandl also refers to “product placement” in films. She makes particular reference to “Driven”, “Josie and the Pussycats” and “The Experience II”. She states that all featured products with the Bull’s eye device. These would appear to have been released in 2001 and 2003. She states that these films were distributed throughout the European Union. An American television programme which first aired in May 2000 is also referred to and an exhibit provided. She also refers to work with international designers in shows in the USA in 2003. She also provides exhibits which relate to a collaboration with Philippe Starck in Milan in 2002. This apparently was mentioned in magazines such as *Marie Claire UK*, *Vogue UK*, *Time* and *Newsweek* amongst others in 2002.

10) At exhibit TDB81 Ms Dembski-Brandl provides a list of “affiliate” companies. In exchange for creating a link to target.com the affiliates are given a percentage of purchases from their links. She points out that the list includes UK and EU based companies. There is no date on the list nor does it state when these companies became affiliates. She states that “Target Corporation sources its range of consumer items and products to be sold in their stores from a vast number of affiliated companies based in many different countries.” At exhibit TDB83 she provides a breakdown of all the affiliates world wide and the amount of goods they sold to Target. This includes UK firms. She also provides details of Target’s charitable works in the USA and surveys of US consumers.

11) Ms Dembski-Brandl provides details of the history of MC and the shares ownership. She points out that Time Warner and Sony have a presence on the Board of MC and that Target was and is a significant customer of both these companies. She states that both companies must have been aware of Target’s device mark. She points out that at exhibit TDB94 is a copy of MC’s annual report 2002 which features the Bullseye device in a repeat pattern on the front cover and also on its own throughout the report without the use of the words “Music Choice”, even the colours chosen, red and white, are the same as those used by Target. She also provides details of the Chairman, Chief Executive and two non-executive directors of MC. These indicate that the individuals were highly unlikely not to have been aware of Target’s use of the Bull’s eye device in the USA. At exhibit TDB103 she provides an affidavit by Erica C Street the President of Target which states that in 1998 Target decided to concentrate on using the Bull’s eye device on its own. She states that the campaign has been successful and she refers to the customer surveys in the USA which show very high rates of recognition by 2002.

12) Ms Dembski-Brandl provides copies of newspaper articles from the Times and Guardian from 2001 and 2002 which mention Target. There is also a list of television

and radio stations which covered the story of the New York Boat shop launch in 2002. She also points out that Target is an associate member of the British Retail Consortium and has met with members of the organisation to discuss their efforts in improving community safety in cities. She does not state when they joined or when the discussions took place. She also refers to the applications submitted by MC to register a Bull's eye device, which have been opposed by Target in the instant case. Ms Dembski-Brandl states that she asked the internal travel department of her company to contact all the employees of Target who had travelled to the UK in recent years. They were asked if they had any experience that would suggest that Target's device is well known in the UK. The background to the question was explained. At exhibit TDB 123 she provides thirty-four witness statements from employees. Most travelled to the UK after the relevant date of 25 January 2000. The "evidence" that Target's mark is well known is highly anecdotal and was, for the most part with people engaged in the retail trade. In the opposition cases 91600 & 91601 these witness statements were filed under cover of a witness statement dated 30 September 2004 by Ian Gruselle a Trade Mark Attorney. In an additional witness statement dated 21 June 2004 he also provided copies of the US and CTM registrations relating to Target's trade marks.

13) The second witness statement, dated 14 February 2005, is by Reem Shather a trainee solicitor at Faegre & Benson LLP who act for Target. He states that he carried out research on the internet and ascertained that approximately 4.5 million US citizens visited the UK each year during the period 1997-2000, with approximately the same number of UK citizens visiting the USA each year during this period. As at 2001 it is estimated that 250,000 US citizens reside in the UK. Approximately 89% of the UK visitors to the USA engaged in some form of shopping.

14) The third witness statement, dated 14 February 2005, is by Gerald Aubrey Hobson a Partner of Faegre & Benson LLP Target's solicitors. He states that MC's device mark was created by Lambie-Nairn & Co Ltd. This company has an office in the USA, and the parent company WPP Group has a number of offices in the USA. Mr Hobson provides, at exhibit GAH4, a bundle of annual reports, accounts, press releases and print-outs from website of MC. These describe the activities of MC. From these it is clear that the core activity is the provision of music channels via digital television and a broadband music delivery service. Mr Hobson states that extensive research into the activities of MC has shown only limited use on goods in Class 9. There is no mention in any of the documents issued by MC to indicate that they intended to use the marks in suit on all the goods in Class 9. He therefore states his opinion that the application was made in bad faith. He also states that it is inconceivable that the senior management or their advertising advisers, Lambie-Nairn, were unaware of Target's Bull's eye mark and its goodwill and reputation. He also comments on how the usage made of MC's marks has changed. He regards the changes to have brought the marks and their use much closer to the device and usage of Target's mark. He draws particular attention to MC's use of the repeating pattern which has been a feature of Target's use over a number of years.

15) The fourth witness statement, dated 15 February 2005, is by Louise Westbury Target's Trade Mark Attorney. She provides a certified copy of Target's Community Trade Mark application no 1771237.

16) The fifth witness statement, dated 11 February 2005, is by Stuart Grunsell the Creative Director and owner of Brandworks London Limited, a company which specialises in identity, rebranding, literature and direct mail, advertising, promotion and new media. He states that he has worked in the field of graphics design for fourteen years. He sets out the process of developing a new brand, which consists of researching what is currently associated with the company and any existing brand or logo. Research would then be carried out on competitors. Once the concept is agreed a search would be carried out to ensure that the concept could be registered domestically and internationally.

## **MC'S EVIDENCE**

17) MC filed eight witness statements. The first, dated 21 April 2005, is by Sarah Wright, MC's Trade Mark Attorney. She states that the Internet website operated by Target and referred to in Ms Debski-Brandl's statement can be accessed in the UK, but that goods cannot be purchased for delivery in the UK or indeed anywhere outside the USA. At exhibit SJW-1 she provides a copy of the "Shipping Restrictions" page from Target's website which confirms this statement. She describes how she tried to place an order but could not. She also describes how she carried out a search at Companies House and also on the Data Protection Register but could find no trace of Target. She concludes that they have no presence in the UK. She also states that there are a large number of registered trade marks in Class 35 or similar with the word "Target" in them. Similarly, there are a number of registered companies in similar fields of activity to Target with company names beginning with the word "Target".

18) The second witness statement, dated 20 April 2005, is by Gary Holt the Executive Creative Director at Lambie Nairn who states that he was directly involved in creating a new brand identity for MC in 2000. He states that the current brand identity was developed from a previous design created for MC by another company. He describes the previous design as comprising "concentric rings (like a disc spinning) with a lozenge over the top, with the text "music choice" in lowercase". At exhibit GH-1 he provides an example of the previous design. He states that MC was seeking a new identity to coincide with their initial public offering (IPO) later in 2000 which would also reflect their enhanced offering. He provides numerous documents of the meetings and creative stages that the company went through before finalising on the mark in suit. He describes the logo as a "centering" device, the place from which music emanates and the place for people to go for music. He states that using all or only part of the corporate identity is common place. The decision to use only the Bull's eye device and not the paint splash in some mediums would be determined due to the lack of space. He states that whilst he was working on MC's brand he was not aware of Target's Bull's eye device. He has also spoken to other members of the team, those who were contactable, that undertook the work and they have all confirmed that they were similarly unaware of Target's logo. He states:

"22. Branding is a highly specialised industry, one in which Lambie-Nairn has excelled in since 1975. We strive to produce effective and protectable strategies and identities for our clients. To copy others' work would jeopardise our reputation and business as well as that of the industry".

19) The third witness statement, dated 8 April 2005, is by Gregor Pryor the head of Legal & Business Affairs of MC. He states that his company was formed in 1993 and

that its business is the production and broadcast of digital audio music channels. He states that these are broadcast across 18 countries across Europe and the Middle East including the UK. The programmes in the UK are broadcast on Sky and NTL Broadband. He states that in the UK there is an on-screen indicator and that consumers who subscribe to interactive services are faced with the bull's eye device on its own. Although he was not employed by MC at the time Mr Pryor covers the history of the new logo which is the same as that provided by other witnesses. He also provides exhibits which show the old and new logos. He points out that each of MC's applications pre-date Target's own application for registration by 20 and 15 months. He states that although the "paint splash" element of the mark continues to be used in certain circumstances it is not used on the digital and broadband services because of space constraints. Given the confines of these media it was felt that the logo alone was the best choice and offered the consumer an easy "button" function in interactive services.

20) Mr Pryor then moves onto deal with the allegations of bad faith. He confirms that at the time of filing the application that two of the non-executive directors of Music Choice Europe Plc (not the registered proprietor Music Choice Limited) were employed by Sony and Time Warner. He draws a distinction between the two companies even though MC is the parent company of Music Choice Europe Plc. He states that the subsidiary does not get involved in operational issues such as branding. He also points out that there is no evidence that these two non-executive directors were involved in making purchases from Target made by Sony or Time Warner.

Similarly, the chairman of Music Choice Europe Plc, Mr Thomas, was not involved in branding issues. He also points out that Margot Daly was not, at that time, the CEO of Music Choice Ltd but was Chief Operating Officer of Music Choice Ltd and so did not have the final say on the branding issue, although she was involved in the discussions. He also states that he has spoken to Ms Daly who admits knowing of the Target's brand but states that it did not occur to her during the discussions of MC's brand. He points out that there is an American company trading as Music Choice and that there is an agreement between that company and MC to the effect that MC will not trade in the USA. As a result MC's plans did not concern the USA. He states that Target does not have a presence in the UK or Europe.

21) Mr Pryor provides details of MC's marketing expenditure in the UK which in 2000 was over £2 million. He provides a number of promotional items which had the device logo on them, and examples of advertising and promotional activities but these do not assist in my decision.

22) The fourth witness statement, dated 22 February 2006 by Gary Holt the Director of Holt Branding Ltd. He states that until February 2006 he worked at Lambie-Nairn and was the Creative Director for MC's new brand identity. He states that another design agency had created an image based upon concentric rings (like a disc spinning) with a lozenge over the top with text in the lozenge. He and his team had to ensure that the new image would work in a variety of media. The first image created by Mr Holt's team was rejected by MC although the concept was accepted. They reworked the idea and came up with the registered marks. Subsequently, Mr Holt states that he has spoken to the majority of the creative team and that they have all confirmed that they were unaware at the time of Target's mark.

23) The fifth witness statement, dated 21 February 2006, by Hilary Sarah Ellis Bourke a consultant for corporate clients seeking to purchase a corporate identity. She states that in 2000 she was employed by MC to carry out a brand audit and to assist in the purchase of a new corporate identity. She states that she was involved in the project from its inception to implementation. She states that in 2000 she was unaware of the existence of Target and also unaware of their branding. She states that she does not recall any mention of Target during the process. She has reviewed her notes from the relevant period and there is no mention of Target or its branding, other potential conflicts were recorded in her notes.

24) The sixth witness statement, dated 22 February 2006, by Jan Paula Casey a brand consultant. She states that she was the Account Director at Lambie-Nairn in 2000 for MC's branding project. She states that until just prior to this statement she had not heard of Target and was unaware of its bullseye device.

25) The seventh witness statement, dated 22 February 2006, by Oliver Smith, a partner at MC's solicitors. He exhibits the witness statement of Sarah Wright, dated 21 April 2005. Mr Smith supplements the statement of Ms Wright with his own exhibits OS1-4 which shows use of the name Target Worldwide Express and a bullseye device on both vans and a building.

26) The eighth witness statement, dated 20 February 2006, is by Margot Daly a Director and Chief Executive Officer of Music Choice Ltd a post she has held since 2003. She states that her company's business is "the production and broadcast of digital audio music channels with the embedded retail options to buy music". She states that:

"6. At the time of its foundation in 1993 and up until the time of floatation in late 2000, by various intra-group agreements Music Choice was restricted from trading in territories other than Europe and Israel.

7. In 1999 Music Choice undertook a brand audit as a result of which it decided to undergo a brand rejuvenation in order to produce a strong brand that would sit well in all the territories and across all the media it operates in. This rejuvenation was timed to coincide with the initial public offering that at that time was planned to take place in July 2000."

27) She states that Lambie-Nairn was chosen to create the new brand. She states that whilst she is an American citizen, she has lived in Europe since 1993 and have visited the USA only infrequently since this date. Her company was, until late 2000, limited to Europe and Israel and so she was focussed on this geographical area. She states that prior to leaving the USA in 1993 she was aware of the Target chain of retail stores but does not recall being aware of its use of the BULLSEYE device.

28) Regarding the rebranding she states:

"13.... I gave no directions as to design and did not get involved in the creative process over and above choosing with the other people involved in the project the 4 corporate colours from those colours presented by Lambie-Nairn".

29) Ms Daly states that “14... The decision to re-brand and the entire process was undertaken by the management of Music Choice without any involvement from the Board of its parent company Music Choice Europe Plc (including those US citizens referred to by Target in its evidence).”

30) At exhibit MD3 she provides a copy of the design brief provided to Lambie-Nairn dated 23 May 2000. The audience is described as “anyone who cares about and listens to music”. It states that in future this will encompass Internet consumers, and that commercial customers, the music and media business and employees all need to be considered. The existing brand is described as having a lower general awareness than it should, with a lack of consistency, with different manifestations of the brand on different platforms being blamed. Minutes of the meetings held on 2 June 2000, 26 June 2000 and 29 June 2000 between Lambie-Nairn and MC are provided at exhibit MD4. These show that on 2 June MC thought “the core logo was a little aggressive and that it leant towards a younger audience”. The colourways were different to the original colours used by MC and so it was suggested that Lambie-Nairn also reconsider these. By 29 June MC was asking for Lambie-Nairn to “consider alternative colour configurations and also look at black and a warmer red as the background colour. LN to make sure that the logo reverses white-out clearly. Currently there is insufficient contrast when reversed out of yellow. It was also felt that the property was a bit flat and could convey more energy”. Ms Daly points out that Lambie-Nairn were tasked with checking any potential conflicts with other trade marks and reported back regarding a Belgium bank which had a splash like logo. She states that it did not cross her mind to check what the situation was in the USA because the company did not and had no prospect of operating in the USA. She states that “at the time of application Music Choice was either using or had the bona fide intention to use the new trade marks in relation to the goods and services in Classes 9, 38 and 41. [I note that this statement was filed in relation to the invalidity actions and not the oppositions]

31) Ms Daly states:

“28. .... I had not encountered Target’s use of the BULLSEYE Device at all until in or around mid-2001 to early 2002 when I first came across Target’s use of it during a trip to New York. I can be reasonably sure about this because I brought back to the UK with me a Target bag with the BULLSEYE Device in order to show it to Simon Bell, our Marketing Director at that time. However even at that stage I was not unduly concerned because Music Choice does not trade in North America and Target does not have any stores in the United Kingdom.”

## **TARGET’S EVIDENCE IN REPLY**

32) Target filed twelve witness statements in reply. The first witness statement, dated 21 June 2005, is by Lorna Hobbs Target’s Trade Mark Attorney. She points out that whilst Target’s website is accessible worldwide it is not necessarily open for the sale of goods. She states that this does not affect the reputation of Target. She states that she managed to order a gift, to be delivered in the USA from the UK.

33) The second witness statement, dated 16 June 2005, is by Jontin Hirst who describes herself as a citizen of the United Kingdom. She describes how she enjoys shopping on her many visits to the USA. She also states that if she cannot go to the USA herself she gives a list of items to her husband who shops for her on his visits to the USA. She also relates the riveting tale of her brother's wedding which took place in Texas. She recalls that friends and family in the UK were able to order goods from Target's website for delivery to Texas.

34) The third witness statement, dated 21 June 2005, is by Ms Dembski-Brandl who has already provided evidence in these proceedings. She gives her opinion that MC's mark is not a development of the previous "spinning disc" logo. She compares the business cards of "A N Other" provided as an exhibit by Mr Holt for MC and her own business card. She states that they are very similar. The fact that one has "Target" written on while the other has "Music Choice" does make a difference, although they both have a bull's eye device. She draws attention to the fact that Mr Pryor refers to the device as a "bull's eye" instead of the grammatically correct version "bull's eye". She also draws attention to the fact that Mr Pryor does not provide information on MC's future intentions in terms of use on goods in Class 9. She states that MC has a policy of use for the device element which is similar to Target's. She also notes that although the creative notion for MC was to be seen as a "centre of music" the device is referred to as a "target" in the guidelines for use of the logo.

35) The fourth witness statement, dated 2 August 2005, is by Ms Dembski-Brandl who has already provided evidence in these proceedings. She confirms that her company does not deliver goods outside the USA but states that UK residents can order from the site if delivery is to take place in the USA. She states that between 1 February 2005 and 23 June 2003, 456 items worth US\$11, 822 were ordered by people with billing addresses in the UK.

36) The fifth witness statement, dated 10 January 2006, is by Lorna Hobbs Target's Trade Mark Attorney. She provides at exhibits LSH7 & 8 witness statements by Susan D Kahn dated 21 May 2004 and 29 December 2004 and at exhibit LSH9 a witness statement by Tim May dated 29 April 2004. With regard to Ms Kahn I shall provide a cumulative summary of these two witness statements. Ms Kahn has held the positions of Manager, Director or Vice President, Investor Relations in Target for the past fifteen years and is a citizen of the USA. She states that in January 1999 she travelled to the UK to meet potential investors in her company's stock. These included firms such as, *inter alia*, *Scottish Widows*, *Scottish Equitable*, *Hill-Samuel*, *Mercury*, *British Gas*, *Schroeders*, *Royal Bank of Canada* and *Morgan Grenfell*. She states that during these presentations literature displaying the bull's eye logo was prominently displayed. In January 2001, May 2002 and October 2003 she made other trips which also took in parts of Europe.

37) Mr May is a consultant whose background is in design and business. He describes the process for the development of a new brand identity. This comprises, a strategy which becomes a design brief; the development of visual imagery, during which phase they will ensure that the end result will be an "ownable" trade mark in the sense it will be unique; and the presentation to the client. He states that early on in the process searches would be undertaken to ensure that there is no conflict with existing marks,

either registered or in use. Also the target audience would be researched to ensure that the brand carries the desired associations and expresses the brand strategy.

38) The sixth witness statement, dated 23 September 2005 is by Ms Dembski-Brandl who has provided evidence previously. She comments on the role that MC had in choosing the new brand image and in particular the colour. It is also pointed out that Margot Daly was the most senior member of MC present at all the meetings with Lambie-Nairn, the design consultants. She also notes that it was MC who decided to use the bull's eye device without the paint splash background. She repeats her views that she finds it surprising that Mr Holt and others at Lambie-Nairn had not heard of Target or its device mark. She states that the uses made of the bull's eye mark by MC are almost direct replicas of Target's use.

39) Ms Dembski-Brandl refers to the fact that MC's music channels are broadcast via digital satellite and cable television. She states that a number of the channels on Sky are American. She refers back to an earlier exhibit of references to Target on American television. She also states that Target's website is one of the most visited websites in the USA. She states that the average customer of MC's product is "clearly more affluent and Internet savvy" and is therefore more likely to be aware of Target's brand. She also states that the two senior managers from Sony and Time Warner who are on the Board of MC were educated and worked in the USA. She also includes copious notes on other directors of MC and its affiliates. All the notes are to the effect that the individuals would or should have been aware of Target's brand from its use in the USA. She also repeats many of her earlier comments regarding the similarity in advertising such as sponsoring music awards and T-shirts with the bull's eye device upon them.

40) The seventh, eighth and ninth witness statements, dated 28 March 2006 by Natalia Wilmott, 3 April 2006 by Ann Keenan and 5 April 2006 by Joanne Bain, who are all UK citizens. They state that for a number of years they have travelled to the USA and that when there they usually visit Target's stores.

41) The tenth witness statement, dated 4 May 2006, is yet another by Ms Dembski-Brandl. She provides a list of UK addresses for customers who have ordered goods on-line during the period 1 February 2005 and 22 March 2005 which contains 4000 post codes. I believe that the period is incorrect, given her earlier statements but as this is considerably after the relevant date it is of little consequence. She also takes issue with MC's comments that Target's device is a target device. She states that "my company's BULLSEYE device comprises a centre, surrounded by an empty space, surrounded by an outer ring of equal width to the empty space. It is very important to emphasise that my company does not regard its BULLSEYE device to be a "target" device. She repeats her accusations that Ms Daly must have been aware of her company's logo.

42) The eleventh witness statement, dated 5 April 2006, is another by Ms Hobbs. She provides details of the number of e-mails sent to UK customers between February 2005 and May 2005, four years after the relevant date.

43) The twelfth witness statement, dated 18 March 2004, is by Michael David Cover a partner in Faegre Benson Hobson Audley LLP. He refers to use of the mark by Target

commenting that it shows genuine use on all the goods and services as claimed. He provides exhibits MDC1-9 which show use of the mark in the USA. He also comments that originally MC's mark had a splash but now just a bull's eye.

## **MC'S ADDITIONAL EVIDENCE**

44) By agreement of both parties MC filed two further witness statements which were admitted into the case. The first, dated 21 May 2007, is by Martin Lambie-Nairn the founder and Executive Creative Director of Lambie-Nairn. With regard to the creation of MC's trade mark he comments that the Creative Director of the mark was Gary Holt. However, in May and June 2000 Mr Holt was on paternity leave and so Mr Lambie-Nairn stepped into the role. He states that Gareth Mapp was the person in his company who came up with the initial creative ideas that formed the brand presented to MC during June 2000. He states that the core thought was that MC was to become the "centre of great music". They chose the font type as the letters "o" and "e" are both round which fitted into the overall aim. As the word "Choice" contained a letter "O" it was, he states, decided to form this into a bull's eye in the word itself. However, he states that this made the name difficult to read so the bull's eye was moved to the end of the name. The paint splash was designed to emanate from the centre of the bull's eye. He states that he and Mr Mapp spent hours throwing ink at paper to get the desired effect. He states that he had never heard of Target nor its use of a bull's eye device. He states that he was not aware of anyone discussing Target. He states that it is standard in the industry to use picture libraries in initial stages as there is at this point no budget for original artwork. Once the client was happy with the concept then an original artwork paint splash was created. At exhibit MLN1 he provides a copy of a letter from Karen Dresser to Margot Daly dated 26 July 2000 where this is explained and also seeking approval for the new created "splash".

45) The second witness statement, dated 21 May 2007, is by Gareth John Mapp, who until October 2002 was a Senior Designer at Lambie-Nairn. He describes the creative process that was gone through which resulted in the mark in suit. He states that MC was going to be the "centre of great music" and that it was looking to implement a digital interactive service using TV channels such as SKY. He states that in 2000 all such music channels were accessed by pressing the red button on the television remote control. Therefore, the red button was incorporated into the design. The colours red and blue were chosen as they are "strong, young vibrant colours" but also the red was chosen as it was synonymous with activating the digital services to be offered by MC. The paint splash was added "as an expression of passion and energy contained in music". He states that the paint splash was originally pulled from a library source and once approved as an idea an original work was created. He states that at the time he was not aware of Target or its brands. It was only when he visited New York in February 2004, for the first time, that he saw Target's bull's eye mark.

46) On 19 March 2007 a Case Management Conference (CMC) was held at which the MC sought to strike out large tracts of Target's evidence as being irrelevant, after the relevant date and unrelated to activity in the UK. I determined at the CMC that the evidence should not be struck out, rather that MC could address me on the relevance and weight that should be given to the evidence at the main hearing. At the CMC it was also agreed that both sides wished to cross examine certain of the other parties' witnesses. Target also requested further information from MC which was provided.

This additional information is contained in bundle A at tab 13. For the most part it consists of letters between the two parties. It also includes, at 342b 342uu a document which was found shortly before the hearing. This document is entitled “MUSIC CHOICE EUROPE, A Leader in Digital Music Services”. The document was part of an IPO package prepared by Investec dated 6 September 2000 and was to accompany the prospectus sent out to potential investors. There are three extracts which are particularly interesting. At page 342F the report states:

“The company now aims to build on its existing brand by offering interactive television web, mobile, xDSL and other relevant platform distribution throughout its core target markets. Each new platform will also enable MCE to offer an array of additional data (concert reviews, discographies, artist profiles) and a suite of revenue-generating services, including banner, streaming and flash advertising opportunities, sponsorship, tailored music sets and e-commerce (CDs, downloads, concert tickets, etc).”

At page 342R

“Carriage on iTV systems will give MCE access to home shopping revenues (through the sale of CDs, concert tickets, downloads and other music related products and services), an income source not currently tapped. It is envisaged that the interactive platform will allow consumers to stream their favourite music, receive detailed information about the artists, book upcoming tours, buy CDs and-in the case of broadband networks – download tracks. MCE intends to outsource the fulfilment process.”

And at page 342S:

“ The Home Shopping elements of the service will be extensive. In addition to CDs and books, viewers will be able to book tickets, bid for memorabilia, and arrange travel to overseas music venues.”

Although not formally entered as evidence into the case Counsel for Target did not oppose its introduction nor MC’s reliance upon it. Given that it is a clear document produced by a third party some years ago I have no hesitation on relying upon it. If the matter goes forward to appeal it may be that the technical issue of attaching the document to a witness statement is carried out.

47) Following an exchange of skeleton arguments, it became clear that Target had dropped a number of grounds and had honed others. They dropped the ground under Article 6bis from both actions. With regard to the invalidity actions the grounds under Section 5(2)(b) and 5(4)(a) were also dropped. In the opposition cases the grounds under Section 5(2)(b) and 5(4)(a) were restricted only to the services in Class 35. In addition Target decided that it did not wish to rely upon the evidence of Ms Bain, Hirst, Keenan and Wilmott.

## **CROSS EXAMINATION**

48) The amendments to the grounds pleaded, reduced the number of witnesses MC required to cross examine. The following witnesses were examined under oath during

the hearing. All the witnesses appeared to me to be credible, truthful witnesses who did their best to answer the questions put to them in a straightforward and helpful manner. The following is a summary of the main points of their evidence.

### **Ms Dembski-Brandl**

49) Ms Dembski-Brandl accepted that in March 2004 Target Corporation did not rely upon the bull's eye device element alone to identify its stores, despite claiming this in her earlier statements. She also accepted that the employees' statements filed by Target attesting to their experiences in the UK were based on a draft statement which they were sent by her office. It became clear that Ms Dembski-Brandl was not aware of all of the relevant circumstances surrounding the survey evidence filed and could not attest as to how those questioned were communicated with or chosen. She accepted that concentric circle devices are commonplace, and that her company would not always act against use of such a device by a third party. She agreed that when she made statements regarding bad faith she was aware that MC claimed to have paid Lambie-Nairn to design their logo, and, further, that she knew of Lambie-Nairn and that they were a well-known firm of brand consultants. Despite having read all of the witness statements filed by MC she clearly still believed that MC had copied her company's logo. She seemed to be of the opinion that due to her company's fame in the USA they would be known world wide. She also confirmed that whilst UK residents can purchase goods via the Internet, those goods would have to be delivered to somewhere within the USA.

### **Mr Lambie-Nairn**

50) Mr Lambie-Nairn confirmed that his company is one of the leading creative branding practices in the world and that he is a leading figure in this area. He stated that the "office" in New York was closed some two years ago. It had only one person in it whilst it was open and that individual was not a designer but a business person. He confirmed that he had travelled to the USA and was, broadly, aware of what was happening in the USA, however his main focus was the UK and Europe. He confirmed that he was the lead designer involved in creating the logo for MC as Mr Holt who was the original designer for the project was away on paternity leave. He confirmed that he had worked with a young designer Mr Mapp on the project. He stated that the positioning for the client had already been agreed as "the centre of great music". He confirmed that the "Bull's eye" idea was devised by himself and Mr Mapp. They were working with a "clean sheet of paper" and were not revising/developing a previous design. It was clear from his testimony that whilst records are kept of meetings these are not exhaustive as clearly they do not all end up in dispute. The paperwork was therefore not capable of withstanding forensic examination, and it would be unrealistic to expect that it would be so capable. When questioned on whether he was influenced by the Target logo Mr Lambie-Nairn was very emphatic that he and his firm would not sully their hard won reputation by copying someone else's work. Equally when it was suggested to him that MC might have put forward the idea of a bull's eye he was emphatic that he would not be told what to do by the client. He described that logo device as a generic symbol which means "centre", "bullseye" or "you are here".

### **Mr Holt**

51) Mr Holt confirmed that because of his absence on paternity leave he effectively topped and tailed the logo project, whilst not actually designing the logo himself. The new logo whilst designed by Mr Lambie-Nairn and Mr Mapp was “developed” from the client’s previous logo in the sense that the previous item existed and the client was looking for a change. Mr Holt stated that there had also been an idea revolving around a box which was not presented to the client and did not form part of the evidence originally filed. Again there was some confusion regarding when discussions took place and who was present, however given the passage of time and also the disruption caused by his personal life it is unsurprising that details are not fully recalled and were not recorded in minute detail. It became clear that internally the logo was referred to as a “target device”.

### **Mr Pryor**

52) Nothing of any note emerged from this cross examination.

### **Mr Mapp**

53) Mr Mapp was quite clear in his recollection of the creative process. He stated quite clearly that the typeface was chosen first and then whilst he was on the computer he and Mr Lambie-Nairn came up with the concept of the bull’s eye device. He denied that the client, Music Choice, had suggested any ideas. He also explained that the first paint splash, shown to the client was an amalgam of library pictures. Once the concept had been approved an original was then designed. This process was used as original work is very time consuming and if the client did not like the concept it would have been a large amount of wasted work.

### **Ms Daly**

54) Ms Daly confirmed that her company has been primarily engaged in the production and broadcast of digital audio music. However, she referred to the floatation document which clearly outlined plans to operate an online retail store. She referred to the plans outlined in the floatation document and stated that the registrations were sought with regard to the anticipated areas of business that the company would move into. The actual choices regarding the classes, goods and services were carried out by the company’s trade mark representatives at the time, based on the floatation document. She confirmed that branded items such as radios were given away as part of promotional activities. She confirmed that discussions took place about branding television set top boxes and also phones. She agreed that they were not anticipating being a general retail store, it would be focussed on the core activity of music, although this would encompass merchandising of all sorts. She stated that at the time of applying for the marks in question the company was restricted to Europe and Israel and so any checking on conflict would have been restricted geographically to these areas. She reiterated that they were not allowed to trade outside Europe and Israel by agreement with a third party, which was binding at the relevant date, although subsequently was rescinded. She stated categorically that she was not aware at that time of Target or its logo device. At some point in 2001 she picked up a bag with the Target logo on it during her travels to the USA. She was concerned that if they ever tried to start up a business in the USA the Target logo

would potentially be an obstacle. She states that the absence of any Target stores in the UK meant that she was relaxed about the position with regard to their registrations/ applications. The USA would be a problem in any case since they do not own the rights to the name Music Choice in the USA. Ms Daly categorically denied that she had told Lambie-Nairn that they were to design a bull's eye logo.

55) That concludes my review of the evidence. I now turn to the decision.