

O-288-03

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION NO. 2201346
IN THE NAME OF PINNACLE COMMUNICATIONS INC.**

AND

**IN THE MATTER OF APPLICATION FOR A
DECLARATION OF INVALIDITY NO. 81096
THERE TO BY PINNACLE INSURANCE PLC**

IN THE MATTER OF trade mark registration No. 2201346
in the name of Pinnacle Communications Inc.

AND

IN THE MATTER OF application for a Declaration of Invalidity
No. 81096 thereto by Pinnacle Insurance plc

BACKGROUND

1. The trade mark “PINNACLE” has been registered since 26 June 2002 under number 2201346 and stands in the name of Pinnacle Communications Inc. It has an international priority date of 28 December 1998 based on an earlier US filing dated 28 June 1998. It is registered in respect of:

Class 38:

Residential and commercial long distance telephone services; internet access services.

2. On 10 December 2002, Pinnacle Insurance plc filed an application for a declaration of invalidity of the registration. The action was filed on Form TM26(I) together with the appropriate fee. The statement of case accompanying the application set out the grounds of action, which are as follows:

- Under sections 47(1) and 3(6) of the Act as the applicant claims goodwill in the name PINNACLE used in an internet related business and that use of the registration would amount to passing off.
- Under sections 47(2) and 5(4)(a) of the Act as the applicant claims goodwill in the name PINNACLE used in an internet related business and that use of the registration would amount to passing off.
- Under sections 47(2) and 5(2)(a) and/or (b) of the Act as the applicant claims that use of the registrants mark is likely to cause confusion on the part of the public, which includes the likelihood of association with the applicant’s earlier trade marks.
- Under sections 47(2) and 5(3) of the Act as the applicant claims that use of the registrant’s mark would be use without good cause that would take unfair advantage of or be detrimental to the reputation of the application and/or the distinctive character of the applicant’s trade marks.

The applicant gave details of its earlier protected trade marks in the statement of case, these were listed as:

1462321	PINNACLE PEOPLE CARE (with device)	Class 36
1462324	PINNACLE (with device)	Class 36

1567277	PINNACLE INSURANCE LADYCARE	Class 36
2149186	PINNACLE DIRECT (with device)	Class 36
2149188	PINNACLE DIRECT LIFE (with device)	Class 36
E528257	PINNACLE (with device)	Class 36
E669390	PINNACLE DIRECT (with device)	Class 36
E669432	PINNACLE DIRECT LIFE (with device)	Class 36

3. In the statement of case the applicant asserted that it was a well known and substantial UK insurance company, incorporated in 1971, employing in excess of 550 staff and with a total turnover of £394 million in 2001. Also, that it offers a wide range of insurance policies and investment products; that it sponsors a number of sporting activities; and that it has expanded its business through use of the internet and telemarketing to sell products direct to the consumer.

4. On 14 January 2003 a copy of the application for invalidation and the statement of grounds were sent to the address for service recorded on the register. The registered proprietor did not file a counter-statement to defend his registration. The consequences of failure to defend the registration were set out in the letter dated 14 January 2003, namely that the application for declaration of invalidity could be granted in whole or in part.

5. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to prove why it is that the registration should be declared invalid.

6. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

7. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

8. With this in mind, on 25 March 2003, the Registrar wrote to the applicant’s representative inviting him to file any evidence or make any submission which he felt would support his client’s application to, at the least, establish a prima facie case. He was

also invited to state whether he wished to be heard or would accept a decision from the papers filed.

9. On 6 May 2003 the applicant for invalidity provided a witness statement, with exhibits, detailing the case against the registered proprietor. They also stated that they were content for the decision to be taken on the basis of the papers filed.

10. The evidence and exhibits submitted consist of the following, a witness statement, by Tibor Zoltán Gold, trade mark agent for the applicant, dated 3 May 2003, and four bundles of exhibits. The witness statement first deals with the history of the contact between the parties which culminated in these proceedings; this is supported by the first two exhibits. Then the witness statement goes on to describe the activities of the applicant in the area of Internet services via selected passages from various official documents produced by the applicant and their parent company, these are introduced as exhibit 3. Finally, to demonstrate that the applicant supports and sponsors sporting activities they submit exhibit 4.

- Exhibit 1 – copies of two letters, correspondence between the agents for the parties.
- Exhibit 2 – copies of four letters, with attachments, from the agent for the applicant to the American attorney for the registered proprietor (three letters) and to the registered proprietor themselves (one letter).
- Exhibit 3 – copies of Pinnacle Insurance Holdings plc Report and Accounts 1998, 1999, 2000 and 2001, a copy of “La Lettre de l’International” dated April 2000 (the house magazine of CARDIF, the parent company of the applicant, published bilingually in English and French), information relating to an award for telephone business made to Pinnacle in 1998 and a copy of an E-mail, which lists companies and organisations accessing or linked to Pinnacle Internet “microsites”.
- Exhibit 4 – copies of a match programme produced by Saracens FC (RFU), dated March 1997, showing Pinnacle as sponsors, copies of two match programmes produced by Nottingham Forest FC, dated August 1997 and January 2003, showing Pinnacle as sponsors, and a copy of HELLO! magazine, dated November 2000, with an illustrated article on Penny Mallory, a TV presenter and rally driver sponsored by Pinnacle.

11. Acting on behalf of the Registrar and after a careful study of the papers before me I give the following decision.

DECISION

12. The applicant claims that the registration should be declared invalid as per section 47 of the Act on the basis of the provisions of sections 3(6), 5(2)(a) and/or (b), 5(3) and 5(4)(a). The relevant parts of the Act are as follows:

“47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

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

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

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

“5. - (1)

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

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

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

(3) A trade mark which -

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

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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

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

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

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

13. First, I dismiss the application in so far as it is based upon sections 47(1) & 3(6) and 47(2) & 5(3) of the Act. There is no evidence that I can see that the application was made in bad faith, as discussed by Lindsay J in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 (at page 379), or that the applicant for invalidation has a reputation sufficient to satisfy the criteria laid out by the European Court of Justice (ECJ) in *General Motors Corp. v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572; there is also no evidence that use by the registered proprietor of their trade mark would take unfair advantage of or be detrimental to the opponent’s trade marks as stated in *Pfizer Limited v Eurofood Link (UK) Limited* [2000] ETMR 896 and [2001] FSR 3. That leaves the section 47(2) grounds based upon sections 5(2) and 5(4) of the Act.

14. I deal with section 5(2) first and in my consideration of a likelihood of confusion or deception I take into account the guidance provided by the ECJ in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] 45 FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723, in particular, that the likelihood of confusion must be appreciated globally and take into account all relevant factors.

15. The applicant’s best case, in my view, is based upon E528257 and this is shown below.



16. The predominant and distinctive element in the applicant's and registered proprietor's trade marks is the word PINNACLE and the marks are therefore, in my view, similar. However, the services covered by E528257, that is – investment services; pension services; insurance and life assurance services; financial services; financial planning services; trustee services; unit trust and unit linked services, are in my view neither the same nor similar to either residential and commercial long distance telephone services or internet access services. The fundamental differences need no explanation and in the circumstances I am unable to find for the applicant under this head.

17. I go on to deal with section 5(4) and the requirements for this ground of action have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *Wild Child* trade mark [1998] RPC 455. Adapted to these proceedings, the three elements that must be present can be summarised as follows:

- (1) that the applicant's 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 registered proprietor (whether or not intentional) leading or likely to lead the public to believe that services offered by the registered proprietor are services of the applicant, and
- (3) that the applicant's have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the registered proprietor's misrepresentation.

18. First of all, I believe that there is sufficient evidence to justify the applicant's claim to a reputation under this head. Also, I believe that the way in which they have promoted their services, via the Internet and call centres may lead sufficient members of the relevant public to believe that the applicant's services could be from the registered proprietor. Though there are differences between the services themselves, the similarity of the trade marks and the similarity conjured up in the minds of the public between the Internet services and telephone services provided by the registered proprietor and the way in which the services of the applicant are provided could lead to confusion. I have no evidence to the contrary and in the circumstances damage will be suffered by the applicant.

19. The facts set out in the witness statement and accompanying exhibits, which have not been challenged by the registered proprietor, in my view, establish that a prima facie case has been made out that, at the date of the application, Pinnacle Insurance Plc had a reputation for Internet and telephonic communication services which was protectable under the law of passing off. The application for a declaration of invalidity made under sections 47(2) and 5(4)(a) of the Act on the basis of the common law tort of passing off therefore succeeds.

20. As to costs, the applicants have been successful, and I order Pinnacle Communications Inc. to pay them £600. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of September 2003

**Graham Attfield
For the Registrar
the Comptroller General**