

O-297-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2320896
BY THE EVERTON FOOTBALL CLUB COMPANY
LIMITED
TO REGISTER THE TRADE MARK
BLUE CARD
IN CLASSES 35, 36, 38, 39, 41 & 43**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 92319
BY SAS CARTE BLEUE (Société Par Actions Simplifiée)**

BACKGROUND

1) On 16 January 2003, The Everton Football Club Company Limited of Goodison Park, Liverpool, L4 4EL applied under the Trade Marks Act 1994 for registration of the trade mark BLUE CARD in respect of:

In Class 35: Advertising; business management; business administration; office functions; all the aforesaid services relating to football or football matches.

In Class 36: Insurance; financial affairs; excluding medical and healthcare services.

In Class 38: Telecommunications.

In Class 39: Travel arrangement, all relating to football or football matches.

In Class 41: Conducting of conferences, congresses, seminars, symposiums and workshops, running of academies, booking of seats for shows, provision of club services, organisation of competitions, production of television or radio programmes, provision of sport facilities, rental of stadium facilities.

In Class 43: Catering for the provision of food and drink; services in providing food and drink.

2) On 18 February 2004 Carte Bleue (Société par Actions Simplifiée) of 21 boulevard de la Madeleine, Paris 75001, France filed notice of opposition to the application. The grounds of opposition are in summary:

- a) The opponent is the proprietor of the following earlier trade marks. The specifications shown reflect the goods and services which the opponent identified as those which it believes are identical and/or similar to the services applied for by the applicant:

Mark	Number	Effective Date	Class	Specification
	CTM 710467	19.12.97	9	Electric, electronic apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, data processing equipment and computers.
			16	Printed matter; instructional and teaching material (except apparatus).
			35	Advertising; business management; business administration, office functions.
			36	Insurance; financial affairs; monetary affairs, real estate affairs;

				issuing of credit, bank and payment cards.
			38	Telecommunications; news and information agencies; communications by computer terminals.
			39	Transport of passengers and goods.
			41	Publication of books and magazines; entertainment, shows; radio and television entertainment; organisation of competitions (education or entertainment).
			42	Providing of food and drink
CARTE BLEUE BUSINESS	CTM 1248103	23.03.99	9	Payment cards, credit cards, cash cards; magnetic cards, smart cards; data-processing equipment and computers.
			36	Banking, financial services, insurance services, monetary services; issuing of payment cards, credit cards and cash cards; issuing of travellers' cheques and bills of exchange; means of payment.
			38	Transmission of data; communication by all means including electronic and computer, provided on-line or by delay time using data processing or computer network systems.
			39	Transport of persons.
			41	Training.
			42	Providing of food and drink.
e CARTE BLEUE	CTM 2387736	09.05.01	9	Magnetic and digital data carriers; payment terminals, card readers, data processing equipment and computers, stripe cards, chip cards, payment cards or cash cards, computer software and computers, all the aforesaid goods being for banking and financial purposes.
			16	Printing products, stationery for printed publications relating to payment cards and cash cards, advertising, publication of magazines, journals, pamphlets and all information documents relating to payment cards and cash cards, dissemination of

				information relating to payment cards and cash cards on the Internet or videotex terminals.
			35	Business management, business organisation and management consultancy, all the aforesaid services being for banking and financial purposes.
			36	Insurance, financial, banking and monetary affairs, payment by chip card or stripe card, payment by card number, authentication certificates for the parties to a payment card transaction, cash withdrawal services by means of a chip card or stripe card, subscription of payment cards and cash cards, issuing of card numbers, remote payment, security.
			38	Communication by computer terminals.
	CTM 707067	19.12.97	16	Printed matter, instructional and teaching material (except apparatus);
			35	Advertising; business management; business administration; office functions.
			36	Insurance; financial affairs; monetary affairs; real estate affairs; issuing of credit, bank and payment cards.

b) The mark in suit is similar to the opponent's marks and the services which the applicant is seeking to register its mark for, are similar to the goods and services of the opponent's marks. The mark in suit therefore offends against Section 5(2)(b) of the Trade Marks Act 1994.

c) The opponent also claims that the applicant is seeking registration for a wide and disparate range of services which is unjustifiable as the mark in suit is used solely in respect of a loyalty card. The opponent claims that the applicant had no intention at the point of application of using the mark in suit on any or all of the services for which registration is sought. The application therefore offends against Section 3(6) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the grounds of opposition and stating that at the time of application they intended to use the mark in suit on all the services applied for. Since the application was submitted the mark has been used on most of the services and it is the applicant's intention to use its mark on all of the services applied for.

4) Only the opponent filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard nor did they provide written submissions.

OPPONENT'S EVIDENCE

5) The opponent filed a witness statement, dated 11 May 2005, by Robin Philip Webster the opponent's Trade Mark Attorney. He provides his opinion that the marks of the two parties are similar. The basis for this is his claim that the distinctive and dominant components within the opponent's marks are the words "Carte Bleue" and that the remaining elements can be given little weight or disregarded. He claims that:

"From a visual and aural perspective, the marks are strikingly similar, not least since the words "CARTE"/"CARD" and "BLEUE"/"BLUE" look and sound almost identical. The words BLUE CARD are the transposed literal French equivalent of CARTE BLEUE. However, by rule of the French language the adjective "BLEUE" must follow the noun "CARTE". Even so, it would not be unreasonable to assume that any person, even without any understanding of the French language beyond the minimal, would recognise this rule peculiar to the French language and subsequently automatically anglicise the mark to simply "BLUE CARD".

From a conceptual viewpoint, the marks in question cannot be anything other than identical. The average British consumer, it is my belief, has only a limited knowledge of the French language. Despite this, I believe that the British public at large (once again, even without an understanding of the French language beyond the minimal) would recognise or readily assume the mark "CARTE BLEUE" to mean BLUE CARD" when applied to the Opponent's goods and services, given the obvious similarities. Consequently, it would not be unreasonable to infer from this that the same public would likely conceive that the marks are economically linked and arise from the same undertaking. On seeing the mark "BLUE CARD" it is not beyond reason to suggest that the consumer could assume that [the] Opponent's mark has been introduced from France into the British market in the anglicised form. In a conceptual sense, the marks would convey immediately to the consumer the impression of a "blue card" or a "card that is coloured blue"."

6) Mr Webster also provides his views on the similarity of the services offered by both parties. He identifies the average consumer of the various financial services as being "almost any British citizen above the age of 18 and of fixed residence and guaranteed income, irrespective of the individual's specific background, literacy and overall education". Mr Webster states that since the inception of The Premiership in 1992 "the football clubs involved in this league have sought to maximise their revenue and profits by taking advantage of the popularity and widespread exposure the league has enjoyed since this time". He refers to this as "profiteering" and states that a number of football clubs have launched credit cards which display the imagery and wording associated with the club on the card "to serve as an attractive force in the supporters' allegiances to their clubs". He points out that most of these cards are issued and the account run by banks such as MBNA and that the average consumer would be aware that the football club is merely providing a "frontage" and that any

debt incurred is owed to the financial institution and not the football club. Similarly, any services offered would be seen by the average consumer as originating from the financial institution and not the football club. This realisation, claims Mr Webster, increases the risk of the consumer assuming that the opponent is providing the financial backing and support to the services offered under the applicant's mark.

7) Mr Webster provides at exhibits RPW2 and 3 copies from the applicant's website. These show that the consumer is able to apply for an "Everton credit card" in conjunction with a range of other financial services. He comments that the mark in suit is not used at all in relation to the services advertised. This he states adds weight to the contention that there was no bona fide intention to use the mark in suit at least insofar as "financial affairs" are concerned.

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

DECISION

9) I first consider the ground of opposition under Section 5(2)(b) which reads:

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

- (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."

10) 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,"

11) The opponent's four trade marks have effective dates between 19 December 1997 and 9 May 2001 and are plainly "earlier trade marks".

12) 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 Meyer & 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.*

13) In essence the test under Section 5(2) 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 mark applied for and the opponent's marks 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.

14) The opponent's marks are inherently distinctive when used on the goods and services for which they are registered. No use of the marks has been filed and so they cannot benefit from an enhanced reputation.

15) I now turn to the comparison of the specifications of the two parties and take into account the factors referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgement, the ECJ stated at paragraph 23:

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

16) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

17) In my view the opponent’s strongest case is under its’ mark CTM 710467. This mark will therefore be used in the comparison of goods and services. For ease of reference the relevant parts of the two parties specifications are reproduced below:

Opponent’s specification CTM 710467	Applicant’s specification
Class 35: Advertising; business management; business administration, office functions.	Class 35: Advertising; business management; business administration; office functions; all the aforesaid services relating to football or football matches.
Class 36: Insurance; financial affairs; monetary affairs, real estate affairs; issuing of credit, bank and payment cards.	Class 36: Insurance; financial affairs; excluding medical and healthcare services.
Class 38: Telecommunications; news and information agencies; communications by computer terminals.	Class 38: Telecommunications.
Class 39: Transport of passengers and goods.	Class 39: Travel arrangement, all relating to football or football matches.
Class 41: Publication of books and magazines; entertainment, shows; radio and television entertainment; organisation of competitions (education or entertainment).	Class 41: Conducting of conferences, congresses, seminars, symposiums and workshops, running of academies, booking of seats for shows, provision of club services, organisation of competitions, production of television or radio programmes, provision of sport facilities, rental of stadium facilities.
Class 42: Providing of food and drink.	Class 43: Catering for the provision of food and drink; services in providing food and drink.

18) To my mind the opponent’s specification encompasses the applicant’s specification in Classes 35, 36, 38, 39 & 42. In relation to the services covered by

these classes the specifications of the two parties must be regarded as identical. With regard to Class 41 there is a degree of overlap in relation to the organisation of competitions and the production of radio and television shows. These are identical, whilst the remaining parts of the applicant’s specification must be regarded as similar to the opponent’s specification.

19) I now turn to the marks of the two parties. As stated earlier the opponent’s strongest case is, in my view, under CTM 710467. This mark does not contain additional letters or words as is the case with CTM 1248103 & 2387736. Whilst the words “CARTE BLEUE” are significantly larger in 710467 than in CTM 707067. For ease of reference the marks are reproduced below:

Opponent’s mark	Applicant’s mark
	BLUE CARD

20) The opponent’s mark has a very small and almost insignificant degree of stylisation. Clearly, the dominant and distinctive elements are the words “CARTE BLEUE”. The two lines and the shading which means that the words are in white on a dark background do not affect the central message. The average consumer whilst viewing marks as a whole would see this mark as simply the words “CARTE BLEUE”. The comparison to be made is therefore between “CARTE BLEUE” and “BLUE CARD”.

21) Visually both marks consist of two words. The opponent contends that they are identical and compares “CARTE” with “CARD” and “BLEUE” with “BLUE”. However, this is not how they appear in the marks. I accept that if the opponent’s mark were the English words “CARD BLUE” this contention would have greater resonance as a simple reversal of words, if it does not alter their meaning, would be seen as being virtually identical or very similar. In the instant case the opponent contends that the average consumer in the UK would despite having “only a limited knowledge of the French language” translate the opponent’s mark into “BLUE CARD”. Thus it is contended the marks are identical. In describing the average consumer in the UK as having “only a limited knowledge” or “an understanding of the French language beyond the minimal” I believe that the opponent has actually overstated the case. Whilst France may be our nearest neighbour, and one of our oldest enemies, the average UK consumer is, notoriously, lacking in comprehension of the French language. There are frequent reports in the media stating that even those who have attended university often can barely express themselves in their mother tongue let alone a foreign one. There are a number of foreign language expressions used in everyday English which the average person knows the approximate meaning of but which would not be literally translated in the person’s mind when used in conversation. For example, most consumers seeing “a la carte” would not immediately think of the literal translation of “according to the card” but would instead consider it to mean that the menu had dishes listed separately and individually priced. Similarly, “carte blanche” has a literal meaning of “blank paper” but would be understood by the average UK consumer as meaning that one was given complete discretion or absolute authority.

22) The opponent has not filed any evidence to show that the average consumer, in this case the general public, would take the view that they outline. To my mind although the marks have some visual and aural similarities the differences outweigh the similarities. Given my comments on the average UK consumer's linguistic ability it follows that the marks cannot be considered to be conceptually similar.

23) I have regard to the comments of Mr Hobbs Q.C. sitting as the Appointed Person in *Raleigh International* (BL O/253/00) where he stated:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under Section 5(2) must be to determine the net effect of the given similarities and differences.”

24) The goods are identical or very similar, however the marks are not similar. There is therefore no likelihood of confusion or an association in that the public would wrongly believe that the respective services come from the same or economically linked undertakings. The opposition under section 5(2)(b) fails.

25) I now turn to the other ground of opposition 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.”

26) 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.”

27) 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.”

28) In *Harrison v Teton Valley Trading Co* [2004] EWVA Civ 1028, the Court of Appeal confirmed that bad faith is to be judged against a combined objective and subjective test. At paragraphs 25 and 26 of their decision they said:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36.Therefore I consider.....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 sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However, the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

29) I also take into account the comments by Mr Simon Thorley Q.C. acting as the Appointed Person in *R. v. Royal Enfield Trade Marks* [2002] RPC 24 at paragraph 31 where he said:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v Associated Newspapers* [1970] 2 Q.B. 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1877-78) L.R. 7Ch.D 473 at 489). In my judgement precisely the same considerations apply to an allegation of lack of good faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”

30) Section 32(3) of the Act sets out, as a basic requirement of making an application, that an applicant confirm in a statement that the trade mark is being used, either by the applicant or with his consent, in relation to the goods and/or services for which they seek registration of their mark, or that they have a bona fide intention that it shall be so used. The section does not require that an applicant be using the trade mark in relation to all, or indeed any of the goods or services for which they seek registration at the time of application for registration, only that where the mark is not in use that there is a bona fide intention that it will be so used. Section 32(3) clearly allows for some futurity in putting the trade mark into use, and although the section does not set a timescale, from the provisions of Section 46 it would appear that the Act envisages that an applicant should have a real intention of doing so within the five years following registration.

31) The opponent contended in its statement of grounds that the applicant was only using the mark on a loyalty card and that the specification of services was both wide and disparate. I note that the opponent has a specification which is even wider than that which the applicant has applied for, and the opponent would probably resist any effort to restrict its specification. More importantly the opponent has filed no evidence to show that the applicant has no intention of using the mark in suit upon the services applied for in the future. The applicant denied the charge in its counter statement. The opponent has not discharged the onus upon it to establish a prima facie case under this ground. In short I can see no basis for a finding of bad faith. The opposition under Section 3(6) fails.

32) As the applicant has been successful it is entitled to a contribution towards its costs. In considering the costs I take into account the serious nature of making an allegation under Section 3(6) when the opponent can show no basis for the charge. I order the opponent to pay the applicant the sum of £3500. In determining this sum I have also taken into account the issuing of a preliminary indication by the Registry. This sum 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 4th day of November 2005

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