

O-331-11

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO 2347898

IN THE NAME OF TRADOCS LTD

OF THE TRADE MARK:

**TRADOCS**

IN CLASS 38

AND

THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO 83695 BY

CAUSEWAY TECHNOLOGIES LTD

## Trade Marks Act 1994

**In the matter of registration no 2347898  
in the name of Tradocs Ltd  
of the trade mark:  
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thereto under no 83695  
by Causeway Technologies Limited**

### *Introduction*

1) On 5 November 2003 Tradocs Ltd (TL) applied to register the trade mark TRADOCS (the trade mark). The application was published for opposition purposes on 19 December 2003. The registration process was completed on 2 April 2004. The trade mark is registered for:

*communication of information by electronic means.*

The above services are in class 38 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. It is still registered in the name of TL.

2) On 25 February 2010 Causeway Technologies Limited (Causeway) filed an application for a declaration of invalidation of the services of the registration under section 47 of the Trade Marks Act 1994<sup>i</sup> (the Act). Causeway relies upon section 5(4)(a) of the Act, which states:

“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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached

to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

3) Causeway relies upon its use of the sign TRADEX. It claims that it has used this sign in relation to services for the electronic transmission of documents and electronic data services since February 2002. Causeway claims that the goodwill and reputation of the business in relation to which the sign was used was assigned to it by the predecessor in title. It claims that the trade mark and its sign are similar and that the services of the registration are identical to those for which it has goodwill. Causeway claims that, therefore, the use of the trade mark would constitute a misrepresentation and be likely to cause confusion with its sign and that this would result in damage.

4) TL filed a counterstatement. It denies that Causeway had the requisite goodwill at the date of the filing of the trade mark, 5 November 2003. TL states that it has requested Causeway to provide evidence of the assignment of goodwill to it but this has not been provided. TL claims that if Causeway has any reputation or goodwill, which is not admitted, this would relate to the sign CAUSEWAY TRADEX. Causeway is put to proof of its reputation or goodwill in relation to TRADEX.

5) TL claims that it has been trading continuously under the trade mark TRADOCS since 2002. TL states that it is not aware of any circumstances in which the use of its trade mark has been considered to be a misrepresentation of the sign TRADEX or that any such use has resulted in damage to Causeway.

6) TL states that its turnover in relation to the services of the registration under the trade mark in the United Kingdom from 2004 to 2006 had been:

Year ended 31 December 2004	£28,686
Year ended 31 December 2005	£392,908
Year ended 31 December 2006	£1,221,362

TL states that, consequently, it has acquired a significant reputation and goodwill in its trade mark. It states that the period during which it has used its trade mark, up to the filing of the application for invalidation, is in excess of five years. TL claims that Causeway must have been aware of its use of, and reputation in, the registered trade mark. To the extent that Causeway has acquired a reputation and goodwill in the sign TRADEX, its failure to oppose the use of TL's trade mark constitutes acquiescence as per section 48 of the Act. At the hearing TL did not press the acquiescence defence.

7) Both parties filed evidence.

8) A hearing was held on 2 September 2011. TL was represented by Mr Tom Alkin of counsel, instructed by Dehns. Causeway was represented by Mr Simon Coles of Graham Coles & Co.

### **Material dates**

9) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. Consequently, the first thing that Causeway must establish is that there was a protectable goodwill at the date of the filing of TL's trade mark, 5 November 2003.

10) Prior to the hearing the parties were contacted in relation to the material dates that needed to be considered in relation to an application for invalidation. They were referred to decision BL O/090/11:

“40) However, under the law of passing-off it is necessary to consider what the position was as of the earliest date of the behaviour complained of<sup>ii</sup>. In this case the evidence shows that Mr Thorpe was running an event he described as ROBOT WARS on 7 April 2007 at Colchester Leisure Centre. Prior to this Mr Thorpe had publicised robot fighting events by reference to machines from *ROBOT WARS* rather than describing the events as ROBOT WARS. The publicity would have been issued prior to this date and so the behaviour complained of would have first occurred prior to this date but it is not possible to ascertain how much earlier. Whatever the date it will have been well after the date of application, 17 June 2006, so the first date of the behaviour complained of is the date of the application for registration.

41) This is an application for invalidation which gives rise to further matters for consideration. Professor Annand, sitting as the appointed person, in BL O/227/05 stated:

“36. My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*).”

In *Levi Strauss & Co v Casucci SpA* Case C-145/05 the CJEU stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark’s distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.....

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the

proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked.”

The House of Lords considered at what date the question to be decided was to be considered in relation to section 46(1)(d) of the Act in *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7. In that judgment Lord Nicholls stated:

“49 The claim in these proceedings is that, in consequence of the use made of the marks by Scandecor Marketing and Scandecor Ltd with the consent of Scandecor International, the marks are “liable to mislead the public”. That is essentially a question of fact. That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past. In deciding this issue of fact the court must have due regard, as I have been at pains to emphasise, to the message which a trade mark conveys. But since the question is whether the marks are currently liable to mislead, the message which is relevant is the message which use of the marks conveys today, not the message it would have conveyed to the public in the past.”

42) The decision of Professor Annand and the judgments of the CJEU and the House of Lords give rise to the conclusion that in an application for invalidation it is necessary to consider whether at a date after the filing of the application for registration it is appropriate to invalidate a registration. The considerations are not the same as those in relation to an opposition to registration. If a different approach was adopted one could, for example, arrive at the situation that an application for invalidation could succeed on the basis of an earlier trade mark that was registered at the date of the application for registration but which had expired ten years prior to the date of application for invalidation. In the absence of establishing acquiescence by the respondent, the registration would have to be invalidated. If a claim was made under the law of passing-off if the respondent had used the trade mark for 6 years then the Limitations Act 1980 might come into play. This was a matter considered by Pumfrey J in *Daimlerchrysler AG v Javid Alavi* (T/A Merc) [2001] RPC 42:

“67 Against these findings of fact, it is possible to deal with the complaint of passing-off shortly. It must fail. Mr Alavi has been trading under the style complained of since at least 1985. He had entered the market by 1978. He did not make any relevant misrepresentation then and he had not, down to 1997 essentially changed the manner of his trading. As Oliver L.J. (as he then was) said in *Budweiser* (*Anheuser-Busch v. Budejovicky Budvar* [1984] F.S.R. 413 at 462):

"The plaintiffs' primary submission is that the learned judge was wrong in regarding the material point of time at which he should consider the matter as the date of the writ. Obviously the plaintiffs must, to succeed, have a cause of action at that date, but Mr Kentridge submits, and Mr Jeffs does not contest, that it cannot be right to look simply at that date to see whether a passing off is established. In particular to test by reference to that date whether plaintiff and defendant have concurrent reputations would simply mean that no remedy lay against a defendant who had successfully passed off his goods as the plaintiffs', so as to establish a reputation for himself."

This is consistent with what was said by Lord Scarman, giving the opinion of the Board in Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Pty Ltd [1981] R.P.C. 429 at 494: the relevant date in law is the date of the commencement of the conduct complained of. I should just add that there must come a time after which the court would not interfere with a continued course of trading which might have involved passing off at its inception but no longer did so: logically, this point would come six years after it could safely be said that there was no deception and independent goodwill had been established in the market by the protagonists. There must also be doubt as to the availability of injunctive relief if there is no passing-off at the date the action is commenced."

43) Taking these matters into account, the position in relation to section 5(4)(a) of the Act must also be considered at the date of the filing of the application for invalidation. At that date could the respondent be prevented from using the trade mark under the law of passing-off?

44) To summarise, in relation to the claim under the law of passing-off LLC must establish that there was a protectable goodwill at both of the following dates:

- The date of application for registration (which in this case is also the date of the behaviour complained of) : 17 June 2006.
- The date of the filing of the application for invalidation: 22 April 2009.

If LLC fails to establish a protectable goodwill at either of these dates its case under section 5(4)(a) will fail"

11) The parties accepted that this was the correct approach. Consequently, it is necessary to consider whether Causeway could have prevented use of TL's trade mark both at the date of the application for registration, 5 November 2003, and the date of the application for invalidation, 25 February 2010. Mr Alkin accepted that Causeway had a goodwill in relation to the sign upon which it relies

at both material dates and that the position in relation to the goodwill was no worse at the second material date. He did not submit that it was necessary to consider the position of the parties at the second material date as being any weaker or stronger than at the first material date. Outwith the abandonment of the acquiescence defence, Mr Alkin did not submit that, other than showing lack of confusion in the marketplace, that the concurrent goodwill of TL for part of the period of the trading of the parties had an effect on the outcome of the case. There was no claim that Causeway was “too late” in filing its application for invalidation. Consequently, it is only necessary to consider the case as of the first material date.

### ***Evidence of the parties***

#### *Evidence for Causeway.*

12) The evidence for Causeway consists of two witness statements made by Mr Timothy Charles Cole. Mr Cole is Director of Business Solutions for Causeway. He has held this post since January 2008. Prior to this he was Director of Research and Development for Causeway, from 2006. He has worked in various rôles for company no 2057821, which was later renamed but throughout that time was called Causeway Technologies Limited (Causeway 1). At all times from 2000, he has been responsible for the business conducted first by Causeway 1 and then by Causeway (company no 3921897) under the sign TRADEX.

#### *Evidence for TL*

13) The evidence for TL consists of a witness statement made by Mr John Anthony Duggan. Mr Duggan is the Chief Executive of TL, a position he has held since 20 December 2000. Prior to this he was Director of Consulting Services at Bolero Limited (part of SWIFT) and Supply Chain Development Director at Wickes plc. Mr Duggan’s background is in the building material industry. From 1986 to 1995 he was employed by Harcros Timber and Build Supplies Limited; he states at the time this was the second largest building materials chain in the United Kingdom. At Harcros Timber and Build Supplies Limited he specialised in the development of trade business.

#### *Confidentiality*

14) Part of Mr Duggan’s statement has been made confidential and is not open for public inspection. Part of Mr Cole’s second witness statement has been made confidential as it makes reference to the confidential part of Mr Duggan’s statement.

### ***Goodwill of Causeway***

15) Mr Cole states that on 1 January 2006 Causeway Technologies Limited (company no 2057821) (Causeway 1) assigned, by written agreement, all of its

intellectual property rights, including the sign TRADEX and the goodwill in the business, to Causeway (company no 3921897), which was at that time called Mercadium Limited and which on 22 June 2006 changed its name to Causeway. On 22 June 2006 Causeway 1 changed its name to Mercadium Limited. On 6 August 2006 Mercadium Limited assigned the goodwill of its business and its trade names to Causeway. A copy of the assignment agreement is exhibited at TC14. A schedule to the agreement shows the trade names as being TRADEX, Mercadium and Causeway ECM. Exhibited at TC15 are copies of change of name certificates from Companies House. These show that company no 2057821, on 22 June 2006, changed its name from Causeway Technologies Limited to Mercadium Limited. The documents also show that on the same date company no 3921897 changed its name from Mercadium Limited to Causeway Technologies Limited. So 2057821 assigned its goodwill in its business to 3921897 on 1 January 2006. On 6 August 2006 2057821 made an assignment of the goodwill in its business and its trade names to 3921897. It is 3921897 which is the applicant for invalidation. Mr Cole describes the agreement of 6 August 2006 as “confirming the assignment of the mark TRADEX and the goodwill in the business from Causeway 1”.

16) Causeway 1 was previously known as Siteman Software Limited and was a software business. The Causeway brand was launched in 1999. Causeway software was in use in £5 billion worth of projects. In 1994 Mr Cole established Interlock Limited to progress the development of electronic trading within the construction sector. In 1995 Interlock Limited was appointed to run the Construction Industry Trading Electronically Initiative (CITE), which brought together over 200 contractors, suppliers and industry professionals. Mr Cole states that from the outset, in 1999, Causeway 1 had identified the need for what was to become the TRADEX services. Mr Cole refers to the “Causeway group of companies” and states that this group acquired his business, Interlock Limited. TRADEX, he states, provides a secure, online service that enables supply chain partners to electronically send and receive information and trading documents, such as invoices and orders, between their existing back office systems, without the need for paper documents. Causeway 1 was able to bring together a number of contractors and suppliers who would become the pilot users of the TRADEX services. Mr Cole states that TRADEX was adopted by Causeway 1 for the electronic trading service in September 2000 and has been used continuously since then.

17) Mr Cole states that the first live electronic trading relationship commenced in October 2000 between Alfred McAlpine Construction Ltd and Alfred McAlpine Plant Hire Ltd. He states that these initial users and all subsequent users have always referred to the service as TRADEX. Exhibited at TC1 is a copy of an early adopters agreement between Causeway Technologies Limited and Alfred McAlpine Construction Limited, it is dated 18 September 2000. The agreement states that the parties “will utilise Causeway’s buildingwork.com trading hub for eCommerce trading with its trading partners”. It goes on to state that “Alfred McAlpine has agreed to become an early adopter of the Tradex, e-Tendering and

Vendor Data services". A schedule describing the services to be supplied does not identify which services are being provided by reference to TRADEX; there is no reference to TRADEX at all in the schedule. "E-Commerce Early Adopters Agreement for 'buildingwork.com'" appears at the bottom of each page of the agreement.

18) In January 2002 a letter in relation to the TRADEX system, exhibited at TC2, was sent on behalf of Alfred McAlpine, Amec, Carillon, McNicholas, Mowlem, Taylor Woodrow and Causeway to a group of suppliers: Aggregate Industries (UK) Ltd, Alfred McAlpine Plant Limited, Ashtead Plant Hire, Blythe Plastics, British Telecom, Emtelle Ltd, Fusion Provida, GAP Group Limited, GE Capital, Greenham Trading, Hanson Quarry Products, Hewden Hire Centres, Newey and Eyre Ltd, Parkers, RMC, Saint-Gobain Ltd, Service Point, Pipelines plc, Sokkia, Speedy Hire, Tarmac (Central) Ltd, Turner Concrete, Uponor, WT Burden Ltd, Willis Builder Merchants, Witherly and Wolseley Centres. The letter refers to TRADEX. It advises:

"Over the coming months, starting with electronic invoices, the contractors listed at the foot of this letter are to facilitate the electronic exchange of trading documents."

19) A meeting was held on 19 February 2002. The contractors met during the morning and were joined by suppliers after lunch. Mr Cole states that the meeting resulted in the adoption of the TRADEX system by a number of companies.

20) Mr Cole states that TRADEX was actively promoted by Causeway 1 by means of person contact, sales leaflets, press releases, "articles", interviews in trade journals, "on the website", at major exhibitions and by inviting existing and prospective users to attend user days. Exhibited at TC4 is a copy of a sales leaflet that Mr Cole states was distributed by Causeway 1 from 2002 to "buy and sell side companies". The leaflet is headed Causeway TRADEX, with Causeway in larger print than TRADEX and above TRADEX. Throughout the main body of the leaflet reference is made to Causeway TRADEX. Quotations to the side of the leaflet from customers have reference to TRADEX on its own, eg:

"We are pleased to be an early participant in the Tradex initiative, which allows us to strengthen our offering in the area of e-commerce with our trading partners."

(From Mr Frank Smith, IT Director of Travis Perkins.)

The leaflet also includes quotations from staff of Alfred McAlpine, Amec Group Limited, Hanson plc, Aggregate Industries UK Ltd, Wolseley Centres Ltd and A-Plant.

The leaflet states:

“Causeway Tradex is now enabling our clients, and their supply chain partners, to send and receive electronic documents such as orders, invoices, and despatch notes.”

21) Exhibited at TC5 is a copy of case study sales leaflet entitled “GAP Group Causeway Case study”. Mr Cole states that this leaflet was published in early 2003 and distributed to potential clients “for many years”. GAP Group is an independent plant and tool hire company. Within the leaflet reference is made to Causeway TRADEX and TRADEX. The system is described as “an online secure trading document exchange that uses fully structured data to allow documents, such as invoices and orders, to be exchanged electronically between the many different back office systems used by each company’s supply chain partners”. The case study states that GAP connected to TRADEX in April 2002, that sales invoices/credit notes are exchanged on the system and that its early TRADEX partners are Alfred McAlpine, McNicholas Construction and Amec.

22) Exhibited at TC6, TC7 and TC8 are pages from the website of Causeway 1, copies of articles from trade publications and extracts of a presentation made at the TRADEX user day. The presentation included speakers from Lloyds TSB and Sage. All of this material emanates from 2002 and 2003. The material shows use of Causeway TRADEX and a large amount of use of TRADEX on its own. The trade publications, from which articles are exhibited, are *CICA Bulletin*, *IT Showcase*, *Construction News*, *Business News* and *Contract Journal*. In November 2002 Alfred McAlpine submitted an entry to the Quality in Construction Awards based on its use of TRADEX.

23) TRADEX was “adopted” by Lloyds TSB Corporate in November 2002, following discussions began in 2001. Mr Cole states that Lloyds TSB adopted the TRADEX system to support einvoice services being offered by Lloyds TSB to local authorities as well as to support integrated transaction processing around an Oracle Exchange based procurement service. He states that the agreement was publicised. Exhibited at TC10 is a copy of an agreement between Lloyds TSB Bank plc and Causeway Technologies Limited dated 11 November 2002. TRADEX is defined as meaning “any computer programmes used by Causeway in the provision of the Services”. The services relate to the transfer of invoice data by use of the TRADEX system. Also included in the exhibit is a copy of an invoice for the period from July to December 2006 sent to Lloyds TSB. It is headed “Causeway Tradex”. Exhibited at TC11 are copies of two articles from 2002 relating to this agreement with Lloyds TSB. The first is from *CICA Bulletin No 84* for Winter 2002 and the second from *fineextra.com* of 4 December 2002. There is no explanation as to audiences of the publication and the website. (However, a menu to the side of the website refers to various banking activities.)

24) Causeway 1 provided services under the TRADEX sign between December 2001 and November 2003 to the following undertakings: GAP Group Limited, AMEC Capital Projects – Construction Division, McNicholas Construction Limited, Alfred McAlpine Plant Limited, Carillion plc, John Mowlem & Company

plc, RMC Group Limited, Cooper Clarke Group Limited, (all of the aforementioned between 1 December 2001 and 1 February 2002), Hanson Quarry Products, Parker Merchanting, Lloyds TSB, Hewden Stuart, Speedy Hire plc, Travis Perkins plc, Willis Builder Merchants, Aggregate Industries UK Limited, Greenham Trading Limited, Taylor Woodrow, Kennedy Construction Group Limited, GE Capital Equipment Services, HSS Hire Services Group plc, Fusion Provida Ltd, RMG (AIM), Tarmac, BAA, Wolseley plc and Saint Gobain. Exhibited at TC12 are copies of agreements or extracts of agreements between Causeway 1 and the majority of the aforementioned undertakings for the provision of TRADEX services. The majority of the agreements are pilot agreements. The services provided under these pilot agreements are for the electronic exchange of invoices and the development of the electronic exchange of orders and despatch notes "in order that these services will be available on successful completion of the pilot". The earliest annual service agreement that is exhibited was effective from 24 March 2003. It is between Causeway Technologies Limited and HSS Hire Services Group PLC. The TRADEX service which is being supplied is described in the following terms:

"Causeway Tradex ("Tradex") is a service developed by Causeway Technologies that provides an electronic document exchange that:

- 1.1 Provides for the transfer of structured trading data, such as invoices and orders, between different back offices systems.
- 1.2 Facilitates the uploading of structured trading data either through the uploading of information held within an agreed data file or by the manual keying of data into screen based templates as determined by the Service Level.
- 1.3 Facilitates the downloading of structured trading data either within an agreed data file or within an agreed archive file as determined by the Service Level.
- 1.4 Facilitates the on line viewing of structured trading data using agreed screen based viewing templates as determined by the Service Level.
- 1.5 Facilitates the conversion of structured trading data between the agreed data formats provided by the data sender and required by the data receiver.
- 1.6 Facilitates the distribution of structured trading data between companies using Tradex where valid trading relationships have been established.
- 1.7 Facilitates the provision of further added value users services subject to separate agreement between Causeway and the User."

25) Exhibited at TC13 are copies of four invoices issued for TRADEX services, dated 19 December 2001, 21 December 2001, 16 April 2002 and 31 May 2002. The clients are AMEC Capital Projects Ltd, Alfred McAlpine Plant Ltd, Willis Builder Merchants and Hanson Aggregates UK.

26) Mr Cole states that separate sales records were not kept by Causeway 1 for the TRADEX services in total. However, he is able to give details of the turnover in 2001, 2002 and 2003 in relation to the companies mentioned above. In 2001 there was a turnover of £20,000, a turnover of £132,500\* in 2002 and £196,664† turnover in 2003. Mr Cole states that:

“Causeway has continued to build on the early goodwill under TRADEX with UK turnover up by over 500% based upon ongoing sales with the majority of the above listed companies and many new customers.”

### ***Goodwill of TL***

27) Mr Duggan states that from 1998 he was developing the computer program which was later called TRADOCS. During 2000 he had meetings with Mr Don Fuller with a view to bringing his e-trading system to market. The meetings led to their agreement to enter business together. On 20 December 2002 TL was incorporated. Mr Duggan states that “[f]rom the beginning” TL traded as TRADOCS. Exhibited at JAD2 are copies of three invoices issued to Builder Center in Kettering, all dated 8 May 2003. The invoices are from TL and tradocs appears at the top of the invoices. The invoices are for: “[c]ategory management development tool CD”, “[s]upply chain manual CD”, “[s]pecials ordering development” and “[e]xpenses”. The total value of the invoices is £21,380 (ex VAT). (This is the sum of the turnover of TL for the period from 20 December 2002 to 31 December 2003, as per the evidence of Mr Cole below.)

28) Mr Duggan states that in September 2003 TL entered into a “partnership” with Data Junction UK Limited. Exhibited at JAD3 is a copy of an agreement between TL and Data Junction, in the form of a letter dated 3 September 2003. The agreement relates to the installation of Data Junction software on TL’s server and the joint development of a data map; where a data map is made available to a TL customer, Data Junction will receive a fee.

29) Mr Duggan states that from 2000 to 2002, when he was developing his e-trading system, he had many meetings with potential customers and partners “about the concept” he “was developing”. He states that he met Mr Andy Holmes, Buying Director of Wolseley plc. He states that TL was later selected from a shortlist of providers to provide an e-trading solution for 6,500 suppliers of Wolseley plc in the building materials sector. Mr Duggan states that the TRADOCS system underwent selection and evaluation by Wolseley during 2003 and “this was formally announced at the Wolseley Supplier Conference in April 2004”. Exhibited at JAD5 is an internal memorandum prepared by Mr Duggan and his colleagues for use at the Wolseley Supplier Conference on 8 April 2004. Also exhibited is a copy of a remittance advice from Wolseley Centers dated 4 June 2003. The details of this remittance advice show that it relates to the

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\* The witness statement gives a figure of £140,000 but this appears to be a miscalculation.

† The witness statement gives a figure of £205,414 but this appears to be a miscalculation.

payment of the invoices exhibited at JAD2. (The evidence of Mr Cole shows that BUILDER CENTER is a trade mark of Wolseley UK Limited, which was previously called Wolseley Centers Limited.) The memo has a subject heading “[t]opics to be used”, which lists the following:

- “Organisation focus on customers, category
- Tighter business controls, contracts etc
- Hardening of Business Relations
- Improved cost of goods sold
- Single point of negotiation
- It is a competition to supply Wolseley Centers Ltd
- Supplier rationalisation
- One team, one company
- ERP ready and electronic trading,
- Partnering on branding, global sourcing
- Controls on specials, Wolseley preferred suppliers”

30) Mr Duggan states that in 2004 TL’s business increased substantially, resulting in supply agreements with a number of customers. Exhibited at JAD4 are copies of what Mr Duggan describes as a selection of the agreements. The agreement with E-Title Authority PTE Ltd of Singapore, dated 1 October 2003, relates to potential cooperation with TL. The covering letter is headed “Tradocs Electronic Document Service”. The agreement with GB Group PLC, dated 2 December 2004, relates to the engagement in discussions. The agreement with JP Morgan, dated 12 February 2004, relates to the exploration of a business relationship. The agreement with DSG Retail Limited, dated 23 February 2004, relates to negotiations. The agreement with Business Link Wessex, dated 27 April 2004, relates to the payment of introduction fees. The agreement with Nomis Metals, dated 30 April 2004, relates to an affiliate agreement, each party promoting the services of the other party. The agreement refers to the transmission of documents through the “Tradocs system”. The agreement with Gresham Consultant Limited, dated 28 July 2004, is a confidentiality agreement. The agreement with Equifax PLC, dated 29 July 2004, relates to discussions between the parties. (The evidence of Mr Cole shows that the turnover of TL for the period from 1 January 2004 to 31 December 2004 was £28,686.<sup>‡</sup>)

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<sup>‡</sup> Mr Cole states that he has reviewed the accounts of TL which show that the total turnover of the company from the date of its incorporation on 20 December 2002 to 31 December 2003 was

31) In his evidence Mr Cole states that E-Title Authority PTE Ltd operates only in Singapore and that the use of TRADOCS in Singapore did not commence until 2007. Exhibited at TCC2 are copies of pages from the e-title website. The pages refer to the launch of TradeXchange in October 2007. A further document in the exhibit refers to TradeXchange and advises that the “platform enables Tradocs to offer a further range of Business-to-Government documents covering the movement of goods through bills of lading for customs clearance....”

32) Mr Cole exhibits at TCC4 a copy of the director’s report for Nomis Metals Limited, which shows that for the financial year ending 31 May 2004, it was a dormant company.

33) Mr Duggan states that in 2005 the TRADOCS e-trading service was rolled out to 6,500 suppliers of Wolseley plc in the United Kingdom DIY and building materials sector. Exhibited at JAD7 is a list of suppliers in the United Kingdom who, Mr Duggan states, have contracted to use the TRADOCS system. He states that the list has been reduced from the original 6,500 as a result of supplier rationalisation by Wolseley plc. This exhibit consists of a list of names followed by dates. There is no explanation of the dates. The first date is 1 December 2004 and the last date is 12 June 2008. Included in the list are undertakings outside the United Kingdom. The list includes, inter alia, hotels and holiday companies.

34) Mr Cole states that the list at JAD7 contains 3,342 entries. He states that there are 151 duplicates, 22 terms, such as test, that are unidentifiable as relating to any particular business or person and 1036 entries that designate businesses located outside of the United Kingdom. He states that the majority of the last mentioned are foreign hotels and other business in the tourist industry. He exhibits at TCC5 a list of the entries upon which he has commented.

35) **REDACTED**

36) **REDACTED**

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£21,380 and that turnover from 1 January 2004 to 31 December 2004 was £28,686. Exhibited at TC20 are copies of the financial statements and abbreviated accounts which cover these periods.

### **Claims of confusion**

37) On 14 July 2008 Causeway filed an application for the registration of TRADEX as a Community trade mark for:

*online data processing services; computerised data storage and retrieval services;*

*services for the electronic transmission of documents; electronic data exchange services.*

(The above services are in classes 35 and 38 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.)

38) Causeway received a letter dated 13 August 2008 from iLaw on behalf of TL. A copy of the letter is exhibited at TC17. In the letter iLaw writes that the services that Causeway provides, as per its website, and the services of the Community trade mark application that it had made are identical to the services of TD's registration. The letter goes on to state:

“Given the identical nature of the products, and the very close visual and phonetic similarities of the two marks, you will appreciate that there is a clear risk of confusion in the market place.

In the circumstances, our Client would invite you to withdraw your application for the Community Trade Mark at this early stage and to adopt a different brand identity for your TRADEX product.”

39) The Community trade mark details, exhibited at TC16, show that TL filed an opposition to the registration of the trade mark on 23 December 2008. A copy of the notice of opposition is exhibited at TC19. In the grounds of opposition TL claims that TRADOCS and TRADEX are similar and that the services of the application are identical or similar to the services of its registration.

40) Mr Cole states that Causeway 1 and Causeway provided TRADEX services to Wolseley plc for many years and “in 2008 they commenced discussions around a programme to rationalise their operations across different parts of their business, which until that point had effectively operated separately from an electronic trading perspective without reference to the services used by each other. As a result of this Causeway was invited to take part in meetings which brought to my attention that Tradocs was an eTrading supplier to a different part of Wolseley. The use of Tradocs by Wolseley was within their supply chain, whereas TRADEX was used by their customers. During the recent negotiations with Wolseley where, for the first time, the sales and supply teams were addressing eTrading jointly, there were a number of occasions where members

of the Wolseley team confused the two names thereby demonstrating that there had not been awareness of the two solutions even within the same business. There was a clear concern that this would result in damage to Causeway as it was evident that the reputation of TRADOCS was not seen as positively as TRADEX and I had to clarify that there was no link between TRADOCS and TRADEX.”

### **Misrepresentation**

41) Mr Alkin accepted the goodwill of Causeway in relation to the sign TRADEX as of both material dates. He also accepted that if at the material dates there had been an actionable misrepresentation this would have been liable to damage the goodwill of Causeway. Consequently, the issue in these proceedings crystallises to whether there would be a misrepresentation.

42) Mr Alkin submitted that the goodwill of Causeway was limited to large undertakings in the construction industry and Lloyds TSB. He also submitted that these parameters would represent the parameters of the knowledge of persons of the business in relation to the sign TRADEX. The evidence shows promotion of the business to BT. It shows, from the presentation, knowledge of the business by Sage. The references to the business are mainly but are not limited to the construction industry. Although the business, as of 5 November 2003, was primarily involved with large undertakings in the construction industry this was not the limits of the business and it extended beyond these parameters at least to advances being made to a major telecommunications company, a major bank, a major software company and the largest operator of airports in the United Kingdom (British Telecom, Lloyds TSB, Sage and BAA). Although the actual business of Causeway was limited to major undertakings in the construction industry and one bank, it cannot be accepted that the knowledge of the business was so limited. The evidence shows that the knowledge of the business was more diffused. Mr Coles submitted that owing to the use by Lloyds TSB, the business of Causeway would be known to local authorities. There is no evidence as to how the service was branded, no evidence as to whether local authorities would be aware of the business. Consequently, the submission of Mr Coles is rejected.

43) Mr Alkin relied heavily upon *Teleworks Ltd v Telework Group PLC* [2002] RPC 27. That judgment dealt with the actual goodwill of the businesses, not being a quia timet action. In this case one side of the coin is the actual goodwill of Causeway. The other side of the coin is the trade mark registration of TL and that must be considered in its full gamut, no extraneous limitation can be placed on the potential normal and fair use of the trade mark and the services for which it is registered. Mr Alkin submitted that he was not doing this but it is difficult to see how he was not; as he submitted that the individuals involved in the sale and promotion of the TRADOCS services would be different to those involved in the Causeway business. Consequently, he was adding restrictions to the scope of the registration which do not and cannot exist within the parameters of a trade

mark registration. He submitted that the two businesses would be associated with individual salespersons, something that is completely outwith the parameters of a trade mark registration. Consequently, *Teleworks Ltd v Telework Group PLC* is not to point in this case.

44) Mr Alkin submitted that there was an absence of examples of actual confusion. Mr Coles pointed to the confusion to which Mr Cole has referred. It is also the case that the matter must be judged on the potential use of the registered trade mark, not the actual use. Consequently, even if there had been no examples of confusion, this could not be determinative or even particularly indicative.

45) In its statement of case Causeway claims that it has goodwill in relation to services for the electronic transmission of documents and electronic data services. Electronic data services is a term that covers a large number of services, it could include the activities of an Internet service provider or a telecommunications company. In the agreement between Causeway and HSS Hire Services Group PLC the TRADEX service is described as a service that provides electronic document exchange. The usage has been on a commercial basis, not for individuals. Based upon the usage shown, and that it is not limited to construction companies, a fair description of the business in relation to which the sign TRADEX has been used is *commercial electronic document exchange*.

46) The services of the registration encompass these services and so identical services are involved.

47) The nature of the services of Causeway will require careful consideration as to their suitability, their compatibility with existing systems of undertakings and their robustness, as failure of the system could have serious financial ramifications. Consequently, the services will have been purchased with a good deal of care. The nature of *communication of information by electronic means* is such that prior to purchase the consumer is likely to want to ascertain the compatibility and suitability of such services for equipment and systems that are already being used. Consequently, there is likely to be a good deal of care and consideration of the purchase of the service. The services of the registration are unlikely to be purchased on impulse.

48) Mr Alkin sought to rely upon *Office Cleaning Services, Ltd v Westminster Window and General Cleaners, Ltd* [1946] 63 RPC 30 in relation to the use of descriptive terms and passing-off, as per the judgment of Lord Simonds:

“so in the case of trade names the Courts will not readily assume that the use by a trader as part of his trade name of descriptive words already used by another trader as part of his trade name is likely to cause confusion and will accept small differences as adequate to avoid it.”

The premise of Mr Alkin's argument is that TRADOCS and TRADEX are largely descriptive; trad referring to trade, docs to documents and ex to exchange. Mr Alkin's submission is predicated on the basis that the relevant consumer for the services will indulge in a philological analysis of the two names. There is no reason to suspect that this would happen, consumers, however sophisticated, do not normally burrow into names used in trade. The two names are invented words; they are not descriptive. The findings in *Office Cleaning Services, Ld v Westminster Window and General Cleaners, Ld* do not assist TL.

49) Mr Alkin submitted (as per his skeleton argument) that there are significant visual, aural and conceptual differences between TRADOCS and TRADEX:

"In the context of the products themselves, the -DOCS suffix would be understood as a reference to 'documents' and the -EX suffix as a reference to 'exchange'. One therefore focuses on the document concept. The other focuses on the exchange concept. There is no obvious harmony between these two alternative approaches to describing an e-business system.

In both cases the TRAD- prefix would be understood simply as a reference to trade. In view of sub-paragraph (1) above, such similarity as resides in the common, descriptive letters TRAD- is not the type of distinctive similarity as might give rise to the mistaken belief that one is a sub- or co-brand of the other (see decision O/375/10, Iain Purvis QC sitting as the Appointed Person)."

Both names start with TRAD and they both end with an x sound. In oral use the only difference will be the final vowel sound, a very limited difference. Neither name has a clear conceptual meaning. The case does not involve likelihood of confusion, however, there is no reason that the test in relation to the effect of conceptual difference for likelihood of confusion should not apply; at least one of the names at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case neither the sign nor the registered trade mark has a clear and specific meaning. Consequently, there is neither conceptual similarity nor dissimilarity; so from a conceptual point of view the position is neutral. Visually the names start with the same four letters. However, they end very differently; all of the successive letters being alien to each other. Taking into account the nature of the respective services, any purchase will involve viewing information in relation to the services and viewing the respective names. It must be borne in mind that, just as in cases under section 5(2) of the Act, that consumers are unlikely to be comparing the names directly but rely upon imperfect recollection. As neither name has a clear meaning there is no conceptual hook upon which the relevant consumer can rely, increasing the likely effects of imperfect recollection.

50) Taking all the above factors into account, use of the trade mark of TL at the material dates would give rise to a misrepresentation. As has been stated above, Mr Alkin accepted if it was found that there was a misrepresentation damage would follow.

51) The high degree of aural similarity would readily give rise to initial interest confusion as per the judgment of Arnold J in *Och-Ziff Management Europe Limited and another v Och Capital LLP and others* [2010] EWHC 2599 (Ch). The bulk of the judgment dealt with trade mark infringement, however, passing-off was also considered:

"155. In my judgment OCH Capital's use of the signs complained of gives rise to a misrepresentation for similar reasons that I have given in relation to the claim for infringement of the OCH-ZIFF Trade Mark under Article 9(1)(b). It is true that in passing off there is no limit on the relevant circumstances, but I do not accept that it follows that initial interest confusion is not actionable.

156. This question is considered by Professor Wadlow in *The Law of Passing Off: Unfair Competition by Misrepresentation* (3rd ed) at §§5-22 to 5-24 and 7-37 to 7-40. As he says at §7-39 (footnotes omitted):

"In the absence of better express modern authorities switch selling has to be approached from basic principles. First, *Spalding v Gamage* decided that there can be passing off with liability for substantial damages merely by advertising goods for sale, even if none are in fact sold. Secondly, the basis of passing off is a misrepresentation causing damage to the claimant's goodwill and there are few a priori limits on what the misrepresentation may be or how the damage may arise: the case in which the defendant's goods are sold as and for the goods of the claimant is now recognised as no more than a special instance of a more general rule. In deliberate switch selling there is necessarily a misrepresentation and the question ought therefore to be whether it is material in the sense that damage arises from it.

'[A] representation made by advertisements that the articles sold at a particular shop are articles manufactured by A.B. (if that is the legitimate effect of the advertisements, which is a separate question) must, in my opinion, be as imperious in principle and may possibly be quite as injurious in operation, as the same representation made upon the articles themselves.'

The success of switch selling as a business practice depends on a potential customer for the claimant's goods being sold the

defendant's by a process in which the making of the misrepresentation is an essential step, and damage may therefore be said to arise from the misrepresentation even though the customer has ceased to be misled by the time the transaction is concluded. The general principle is that if the defendant successfully induces the public to do business with him by making a misrepresentation then it ought not to matter that the falsity of the representation would become apparent at some stage. ..."

157. I agree with this analysis. Furthermore, in my view the points made by Professor Wadlow in the first and last sentences of this passage hold good even if the misrepresentation is innocent rather than deliberate."

Consequently, even if it were argued that there are enough visual differences to avoid misrepresentation on a visual basis, there would be misrepresentation on an aural basis and resultant initial interest confusion.

52) There is also the matter of the representatives of TL's own claims as to the similarity of the respective names and services. iLaw writes that the services that Causeway provides, as per its website are identical to the services of TD's registration. The letter goes on to state:

"Given the identical nature of the products, and the very close visual and phonetic similarities of the two marks, you will appreciate that there is a clear risk of confusion in the market place.

In the circumstances, our Client would invite you to withdraw your application for the Community Trade Mark at this early stage and to adopt a different brand identity for your TRADEX product."

53) There has been no pleading of estoppel by election<sup>iii</sup> and the claims of iLaw cannot be determinative of the issue.

54) TL has put forward no suggested amended specification. At the hearing, Mr Alkin requested that if the decision were to be against TL, I should put forward a limited specification which would allow part of the specification to subsist, if it were possible. In considering whether a specification within the parameters of the registration could be crafted which would not give rise to a misrepresentation, the judgment of the Court of Justice of the European Union in *Koninklijke KPN Nederland NV v Benelux Merkenbureau* Case C-363/99 must be borne in mind:

"114 By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

115 Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties--particularly competitors--would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods.”

Consequently, a limitation which excludes a particular characteristic would be contrary to law. It is not envisaged what sort of specification could be crafted which would avoid the finding of misrepresentation. Consequently, the finding for Causeway must relate to all of the services of the registration.

**55) The registration was made in contravention of section 5(4)(a) of the Act and in accordance with section 47(6) of the Act the registration is deemed never to have been made.**

#### **Costs**

56) Mr Coles made various submissions in relation to costs, none of which were foreshadowed in his skeleton argument. Consequently, TL was allowed two weeks to respond to his submissions. The submissions of TL in relation to this matter were received on 16 September 2011.

57) Tribunal Practice Notice 4/2007 states:

“5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour

58) Mr Coles commented upon the dropping of the acquiescence defence at the hearing. It was not clear if Mr Coles was objecting to the acquiescence defence per se or it being dropped. Taking into account the business of TL, there was nothing unreasonable about running an acquiescence defence and once having considered all the evidence deciding not to continue with it.

59) Mr Coles also commented upon the delays arising out of the request for confidentiality by TL and that Causeway was not copied in on the request. In fact the impetus for confidentiality came from a letter from the Intellectual Property Office (IPO), dated 8 October 2010. The letter noted that invoices had been furnished which contained bank details. The letter was copied to the representatives of Causeway. Dehns who had taken over responsibility for the case responded that it needed time to consider the official letter as it did not have a copy of the evidence, which had been filed by iLaw. On 5 November 2010 Dehns responded further, requesting an increased veil of confidentiality owing to a confidentiality agreement that TL had with HSBC. The letter from Dehns was not copied to the representatives of Causeway. However, it sent a copy of the evidence to the representatives on 24 November 2010, who sent a letter in relation to his matter on 8 December 2010. The IPO did not respond to the letters from the two sets of representatives until 10 March 2011. There was further delay, as the IPO did not respond to a request of 24 March 2011 from Dehns for an extension of time, to file a redacted copy of the evidence, until 7 April 2011. On the same date Dehns filed a redacted copy of the evidence. On 4 May 2011 the IPO sent confirmation to the parties of the admission into the proceedings of the redacted copy of the evidence for TL. On the same date the IPO advised the representatives of Causeway that confidentiality had also been granted to part of the evidence of Mr Cole, owing to references to the confidential material in the statement of Mr Duggan. On the same date a redacted copy of the evidence of Mr Cole was filed. On 16 June 2011 the IPO wrote to the parties advising that the evidence rounds had been completed and that the case was ready for a hearing. The hearing was then scheduled for 2 September 2011. It is not considered that the actions of the representatives of TL in relation to the confidentiality issue can be characterised as unreasonable in any shape or form.

60) Mr Coles also commented on the late filing of the skeleton argument on behalf of TL. It is not understood how this would affect the costs of Causeway.

61) The costs will fall within the parameters of the scale.

62) Causeway having been successful is entitled to a contribution towards its costs. Costs are awarded on the following basis:

Fee for application for invalidation:	£200
Preparing statement and considering the statement of Inc:	£500
Preparing evidence and considering the evidence of Inc :	£1,500
Preparing for and attending the hearing:	£500
Total:	£2,700

**Tradocs Ltd is ordered to pay Causeway Technologies Limited the sum of £2,700. 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 30 day of September 2011**

**David Landau  
For the Registrar  
the Comptroller-General**

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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.

(2A)\* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration, (b) the registration procedure for the earlier trade mark was not completed before that date, or (c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

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(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community. (2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

(The transitional provisions of The Trade marks (Relative Grounds) Order 2007 mean that that Order does not have effect in this case:

“(2) Article 5 shall not apply to an application for a declaration of invalidity which relates to a trade mark the application for the registration of which was published before the coming into force of this Order.”

The order came into force on 1 October 2007.)

<sup>ii</sup> See *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9.

<sup>iii</sup> As per *Halsbury's Laws of England*:

“On the principle that a person may not approbate and reprobate, a species of estoppel has arisen which seems to be intermediate between estoppel by record and estoppel in pais. The principle that a person may not approbate and reprobate expresses two propositions, (1) that the person in question, having a choice between two courses of conduct, is to be treated as having made an election from which he cannot resile, and (2) that he will not be regarded, in general at any rate, as having so elected unless he has taken a benefit under or arising out of the course of conduct which he has first pursued

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and with which his subsequent conduct is inconsistent. Thus a plaintiff, having two inconsistent claims, who elects to abandon one and pursue the other may not, in general, afterwards choose to return to the former claims and sue on it; but this rule of election does not apply where the two claims are not inconsistent and the circumstances do not show an intention to abandon one of them. The common law principle which puts a man to his election between alternative inconsistent courses of conduct has no connection with the equitable doctrine of election and relates mainly, though not exclusively, to alternative remedies in a court of justice.”

REDACTED VERSION