

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2398864
BY ENTERPRISE IG LIMITED
TO REGISTER A SERIES OF TRADE MARKS
IN CLASSES 35 & 42**

**AND IN THE MATTER OF OPPOSITION THERETO
UNDER No. 94058
BY IG DESIGN SA**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST THE DECISION OF MR. G. W. SALTHOUSE
DATED 9 APRIL 2008**

DECISION

Introduction

1. This is an appeal from a decision of Mr. G. W. Salthouse, the Hearing Officer acting on behalf of the Registrar, dated 9 April 2008 (BL O/101/08), in which he dismissed an opposition brought by IG Design SA against UK Trade Mark Application number 2398864 standing in the name of Enterprise IG Limited.
2. Application number 2398864 is dated 9 August 2005 and concerns the series of trade marks:

ENTERPRISE IG



3. Enterprise IG Limited of 33 St John Street, London EC1M 4PJ ("the Applicant") sought registration of the designations ENTERPRISE IG in the series for use as trade marks in relation to services in Classes 35 and 42:

Class 35

Business consultancy services; marketing services; advertising services; business research services; publicity services

Class 42

Corporate identity design services, web design services and packaging design services; graphic art services; intellectual property consultancy; corporate identity development and design; brand consultancy services; brand creation.

4. The application was published on 14 October 2005. On 16 January 2006, IG Design SA of 3 bis, rue de L'Eperon, Paris F-75006, France ("the Opponent") filed notice of opposition to the application under sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 ("TMA"). This appeal is against the Hearing Officer's dismissal of the opposition under sections 5(2)(b) and 3(6). No challenge is made to the Hearing Officer's findings in relation to section 5(3) and 5(4)(a).
5. The ground of opposition under section 5(2)(b) was based on the Opponent's Community Trade Mark number 000504381, which qualified as an earlier trade mark for the purposes of section 6(1)(a) of the TMA. CTM 000504381 was registered on 17 May 2000 with a filing date of 3 April 1997 and comprises the designation:



6. The earlier trade mark is registered in respect of the following services:

Class 41

Graphic arts (graphic identity), graphic arts designing, packaging design, packaging design services, styling (industrial design), research and development (for others).

7. Since the earlier trade mark was more than five years old at the date of publication of the application, the proof of use conditions in section 6A of the TMA needed to be met. The Hearing Officer held that the Opponent had succeeded in proving genuine use of the earlier trade mark for all the registered services in France. On the current jurisprudence (*ILG Ltd v. Crunch Fitness International Inc* [2008] ETMR 17, OHIM Fourth Board of Appeal, para. 11) genuine use of CTM 000504381 in one Member State like France sufficed. There is no appeal against the Hearing Officer's determination that the use conditions in section 6A were met. In other contexts, the Opponent challenges the Hearing Officer's findings in relation to use of the earlier mark in the UK.
8. The bases for the section 3(6) objection were stated in the Notice of Opposition to be:

"The Applicant has been aware of the Opponent's objection to its adoption of its trade mark since at least January 2003 and in any event prior to the date of the application and has already ceased use of its

trade mark in France as a result of the Opponent's objection there and a French Court judgment dated 1 June 2004.

The Applicant also withdrew its Community Trade Mark Application no. 2811453 dated July 2002 as a result of the Opponent's opposition. Also, an ex-employee of the Opponent is involved in the Applicant company, and would have been aware of the business of the Opponent under the name IG and its operations in the UK."

9. The Hearing Officer recorded the Opponent's concession at the hearing that the latter contention was unsubstantiated. The Opponent did not pursue any point relating to the ex-employee before me on appeal.
10. Both parties filed evidence. The evidence in support of the opposition consisted of a witness statement of Jean-Michel Farce, President and Managing Director of the Opponent, dated 20 September 2006. The Opponent highlighted a mistake in the Hearing Officer's description of that evidence. At paragraph 7, the Hearing Officer referred to a series of e-mails between Del Monte based in Staines and "a company called Herve Baralon". The Hearing Officer surmised: "Del Monte are contracting with Herve Baralon who has subcontracted to the opponent". In fact, Hervé Baralon was a Consultant with the Opponent as was apparent from the exhibited correspondence including Mr. Baralon's email address (Exhibit MF 7). In the correspondence, Del Monte had invited Mr. Baralon to a second meeting at the Staines office to discuss *inter alia* the use of the IG database on the Internet. The Opponent contends that there are other such discrepancies (unspecified) in the Hearing Officer's summary of the evidence, which indicate a lack of care when deliberating on the opposition. I have borne that in mind when deciding this appeal.
11. The evidence in support of the application comprised a witness statement of Alexander Spark, Finance Director of the Applicant, dated 10 July 2007. Evidence in reply was filed by the Opponent in the form of a witness statement of Clara Descours, International Sales Manager of the Opponent, dated October 2007. Both parties were represented at the oral hearing and the Hearing Officer issued a written decision dismissing the opposition in its entirety on 9 April 2008.
12. On 7 May 2008, the Opponent filed notice of appeal to an Appointed Person under section 76 of the TMA. The grounds of appeal are in summary:
 - A. Section 3(6)
 - (i) The Hearing Officer applied the wrong test of bad faith.
 - (ii) Even if the Hearing Officer applied the correct test, he erred in its application to the facts.

B. Section 5(2)(b)

- (iii) The Hearing Officer did not apply the principle of interdependence in determining the likelihood of confusion.
 - (iv) The assessment of the similarity in services was flawed. In particular, the *Canon* factors were on the face of the decision not applied.
 - (v) The Hearing Officer erred in his comparison of the marks.
13. The Opponent additionally challenges the justifications for awarding costs (a) on a scale higher than applicable at the date of the commencement of the proceedings and (b) higher than that scale when the Applicant did not request such an order.
14. At the appeal hearing, the Opponent was represented by Mr. Simon Malynicz of Counsel. Mr. Jonathan Hill of Counsel appeared on behalf of the Applicant.

Standard of appeal

15. Mr. Hill cited the useful summary given by Mr. Daniel Alexander QC sitting as a deputy High Court judge in *Digipos Store Solutions Ltd v. Digi International Inc* [2008] EWHC 3371 (Ch), paras. 5-6:

“5. It is important at the outset to bear in mind the nature of appeals of this kind. It is clear from *Reef Trade Mark* [2003] RPC 5 (“*Reef*”) and *BUD Trade Mark* (“*BUD*”) that neither surprise at a Hearing Officer’s conclusion nor a belief that he has reached the wrong decision suffice to justify interference by this court. Before that is warranted, it is necessary for this court to be satisfied that there is a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong (*Reef*). As Robert Walker L.J. (as he then was) said:

“... an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle” (*Reef*, para. 28).

6. This was reinforced in *BUD*, where the Court of Appeal made it clear that it preferred the approach of the appellate judge but nonetheless held that there was no error of principle justifying departure from the Hearing Officer’s decision. As Lord Hoffmann said in *Biogen v. Medeva* [1997] RPC 1 at 45, appellate review of nuanced assessments requires an appellate court to be very cautious in differing from a judge’s valuation. In the context of appeals from the Registrar relating to section 5(2)(b) of the Act, alleged errors that consist of wrongly assessing similarities between mark, attributing too much or too little discernment to the average consumer or giving too

much or too little weight to certain factors in the multi-factorial global assessment are not errors of principle warranting interference. I approach this appeal with that in mind.”

16. Mr. Malynicz for his part referred me to the judgment of May LJ in *DU PONT Trade Mark* [2004] FSR 15, para. 94:

“... A review here is not to be equated with judicial review. It is closely akin to, although not conceptually identical with, the scope of an appeal to the Court of Appeal under the former Rules of the Supreme Court. The review will engage the merits of the appeal. It will accord appropriate respect to the decision of the lower court. Appropriate respect will be tempered by the nature of the lower court and its decision making process. There will also be a spectrum of appropriate respect depending on the nature of the decision of the lower court which is challenged. At one end of the spectrum will be decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum will be multi-factorial decisions often dependent on inferences and an analysis of documentary material. ...”

Section 3(6)

17. Section 3(6) of the TMA states that a trade mark shall not be registered if or to the extent that the application is made in bad faith. Section 3(6) implements optional Article 3(2)(d) of Directive 2008/95/EC (codifying 89/104/EEC).
18. The Opponent’s primary submission was that the Hearing Officer got the law right but the result wrong. Mr. Malynicz said his fallback position was that the meaning of bad faith is not *acte clair* and the matter should be referred to the Court of Justice of the European Communities (“ECJ”) under Article 234 EC.
19. The Hearing Officer instructed himself with reference to the judgment of Lindsay J in *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 at 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.”

20. The Hearing Officer then referred to *Twinsectra Ltd v. Yardley* [2002] 2 AC 164, HL and its subsequent clarification in *Barlow Clowes International Ltd v. Eurotrust International Limited* [2006] 1 WLR 1476, PC for the required mental element.
21. As I stated in *AJIT WEEKLY Trade Mark* [2006] RPC 633 at 647 – 649 according to the UK case law:

“35. ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability to breach of trust set out by the majority of the House of Lords in *Twinsectra Limited v. Yardley* [2002] 2 AC 164, with *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.

41. ... the upshot of the Privy Council decision in *Barlow Clowes* is: (a) to confirm the House of Lords’ test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element.”

See also, *BRUTT Trade Marks* [2007] RPC 462, *Jules Rimet Cup Ltd v. Football Association Ltd* [2008] FSR 254 and *Melly’s Trade Mark Application* [2008] RPC 454.

22. The Opponent’s complaint centres on a judgment of the Paris High Court of Justice handed down on 1 June 2004. A subsidiary complaint is levied at the Hearing Officer’s remark that a translation of the French judgment, which the Opponent provided, was not correctly attested. However it is clear that the latter played no part in his rejection of the 3(6) claim.
23. The French action concerned the Opponent as Claimant and the Applicant’s French affiliate, SARL Enterprise IG, as Defendant. The claim was for infringement of Community trade mark number 000504381 and unfair competition by reason of use of the Defendant’s corporate name. The Defendant had in the meantime changed its corporate name but the court nevertheless made a finding of infringement pursuant to article L713-3 b) of the French Intellectual Property Code on the basis that there was a risk of confusion arising out of the similarities between IG Design and Enterprise IG and the identity or near similarity of the services provided by both organisations. The claim of acts of unfair competition failed.

24. The facts of the case are not detailed in the decision and the reasoning of the French court is brief. Counsel were unable to provide me with assistance on the application of article L713-3 b) of the French Intellectual Property Code rather than article 9(1)(b) of Regulation 40/94 EC (art. 97 Reg. 40/94)¹. However, assuming that the court was sitting as a Community trade mark court, the interdictory relief ordered was apparently limited to France. Mr. Farce states in his Witness Statement dated 20 September 2006:

“12. We have already sued Enterprise IG for infringement of our CTM No. 504 381 and on 1st June 2004 the Paris High Court ruled that Enterprise IG had infringed our trade mark and recognised that there was a real risk of confusion between the two marks IG DESIGN and ENTERPRISE IG. I refer to exhibit 11.0 (9 pages) which contain the judgment of the court in French and also exhibit 11.1 (6 pages), which is the English translation, where Enterprise IG was ordered to pay EUR 15,000 in damages and was also prohibited from trading under the mark IG in France.”

The Applicant’s evidence is to like effect. Mr. Spark recounts in his Witness Statement dated 10 July 2007:

“10) ... following legal action in France by IG Design, the Paris Office was prevented on a very particular set of circumstances, from using the mark ENTERPRISE IG in France. The Paris office presently supplies services in France under the mark ENTERPRISE.”

25. The Opponent argued, that the Hearing Officer failed to appreciate the significance of the French judgment. In brief: (a) a CTM is a unitary right throughout the EC with effect in the UK; (b) a court of competence in France had ruled that a likelihood of confusion existed between IG DESIGN and ENTERPRISE IG; (c) a UK court would likely reach a similar finding; (d) in the light of those facts known to the Applicant, the application in suit was made in bad faith.
26. Moreover, the Opponent says that the Hearing Officer misinterpreted the evidence relating to the business activities of the Opponent in the UK. The Applicant would have been aware of the Opponent’s UK interests, which would be jeopardised if the Applicant were successful in obtaining registration of the mark in suit.
27. The Hearing Officer held on the evidence that the Opponent was not active in the UK. He found that there was use in France and also use with multinational companies. Although the work carried out for the latter was in part for the UK arm, the work was commissioned by the head office, which was situated outside the UK. Mr. Malynicz did not provide me with anything to cast doubt on the Hearing Officer’s evaluation of the evidence other than

¹ It seems that bringing the claim article L713-3 IPC instead of under article L717 IPC and article 9 CTMR was a mistake, which the court did not correct.

the mistake over Mr. Baralon's position (see 10 above)². On the other hand, Mr. Spark's unchallenged evidence was that the Applicant only became aware of IG DESIGN in 2002 when it acquired and re-branded its French arm from Brown KSDP Paris to ENTERPRISE IG and was sued in France by the Opponent. The Applicant had first started using the mark ENTERPRISE IG in the UK in February 1998 having shortened its name from ENTERPRISE IDENTITY GROUP. Mr. Malynicz conceded that the Applicant's awareness of the Opponent in the UK was not his strongest point.

28. The Hearing Officer held that the Opponent had failed to make out a case of bad faith under section 3(6); the Applicant was merely seeking to protect its position in the UK, established in 1998. In my judgment he did not fall into error in applying the current law on section 3(6). He arrived at a decision that on the facts he was entitled to make.

29. In support of the Opponent's fallback position, I was referred to *Road Tech Computer Systems Ltd v. Unison Software* [1996] FSR 805, per Walker J at 818:

"If this were the trial of the action I would be seriously concerned about the possibility of referring that issue [the meaning of bad faith] to the European Court of Justice under Article 177 of the Treaty of Rome. But it would not, I believe, be sensible to put the parties to the expense of a reference, or to impose that delay on them, at this stage of the proceedings [application for summary judgment]."

30. I was also referred to:

- (a) *Melly's Trade Mark Application*, supra, where Mr. Malynicz says the focus was on the basis of bad faith in Community law; and
- (b) the questions referred to the ECJ in Case C-529/07 *Chocoladefabriken & Sprüngli AG* on whether bad faith characterises a blocking application for CTM registration pursuant to Article 51(1)(b) of Regulation 40/94/EC, which might be too specific to yield principles of general application.

31. In *Melly's Trade Mark Application*, Mr. Geoffrey Hobbs QC sitting as the Appointed Person said:

"51. There is, as yet, no guidance from the supervising courts in Luxembourg as to the scope and application of such objections. In that state of affairs, I think it is necessary, in accordance with Section 3 of the European Communities Act 1972, to have regard to the well-established principle that Community law should be interpreted and applied so as to confer no legitimacy on improper behaviour. In its judgment delivered on 20 September 2007 in Case C-16/05 *The Queen*

² His skeleton argument simply said "the opponent had supplied and promoted its services to UK companies prior to the time that the applicant applied for the mark on 9 August 2005 to some extent".

(on the applications of *Veli Tum and Mehmet Dari*) v. *Secretary of State for the Home Department* the ECJ stated at paragraph 64:

“... it must be borne in mind that, according to settled case-law, Community law cannot be relied on for abusive or fraudulent ends (Case C-255/02 *Halifax and Others* [2006] ECR I-1609, paragraph 68) and that the national courts may, case by case, take account – on the basis of objective evidence – of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely (see inter alia Case C-212/97 *Centros* [1999] ECR I-1459, paragraph 25).”

32. Mr. Hobbs went on to say (emphasis supplied):

“I believe that to be an apposite statement of the basis on which bad faith invalidates applications for registration under the parallel provisions of Article 3(2)(d) of the Trade Marks Directive, Article 51(1)(b) of the Community Trade Mark Regulation and section 3(6) of the 1994 Act. *I also consider it to be consonant with the existing case law on bad faith in the United Kingdom and at the Community Trade Marks Office*”

See also, *Harrisons Trade Mark Application* [2005] FSR 177, Aldous L.J. at paragraphs 28 – 31 and *BRUTT Trade Marks*, supra, Mr. Richard Arnold QC sitting as the Appointed Person at paragraph 94.

33. Mr. Hobbs then cited Lindsay J’s statement in *Gromax* (see, para. 19 above) and expressed himself in agreement with what I had said in *AJIT* (see, para. 21 above).
34. I do not believe that a reference should be made in the present case. The Opponent’s objection relates to the Hearing Officer’s evaluation of the factual matrix (which I have found to be without material error) and not the applicable legal standard against which to test bad faith.

Section 5(2)(b)

35. Mr. Malynicz criticised the Hearing Officer for instructing himself with reference to the ECJ decision in Case C-334/05 *OHIM v. Shaker di L. Laudato & C. Sas (LIMONCHELO)* [2007] ECR I-4529, paragraphs 33 – 36 and 41 – 42 instead of the usual Registry summary of applicable case law. In my view such criticism is unfair. The Hearing Officer clearly included the reference to *Shaker* because the Opponent argued that DESIGN in the Opponent’s mark and ENTERPRISE in the Applicant’s mark were descriptive and ought to be ignored leaving the elements IG in common. In *Shaker* the ECJ stressed that marks must be compared as a whole and that components cannot be disregarded in the overall comparison unless they are negligible.

36. The first ground of appeal under section 5(2)(b) is that the Hearing Officer did not apply the principle of interdependence. The Opponent contends that his list of relevant principles (i.e., *Shaker*, paras. 33 – 36, 41 – 42) makes no reference to it and, given his findings, he cannot be assumed to have had it in mind. Thus, the Hearing Officer decided that some of the parties’ respective services in Class 42 were more similar to each other than others but he failed to distinguish between those services when assessing the likelihood of confusion.
37. Mr. Hill’s answer was that there was a finding of identical services. Having determined the absence of likelihood of confusion in relation to identical services, the Hearing Officer had no need to re-consider the issue for less similar services. As to express mention of interdependence, Mr. Hill took me to paragraph 26 of the decision where the Hearing Officer said:

“26. In essence the test under section 5(2)(b) is whether there are similarities in marks 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 judgment 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 services, the category of services in question and how they are marketed. Furthermore, I must compare the applicant’s mark and the mark relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the services covered within the respective specifications.”

Further at paragraph 49, the Hearing Officer prefaced his conclusion with the words: “Taking account of all of the above when considering the marks globally ...”, which included his finding of overlap or identity in certain of the respective Class 42 services.

38. I accept that the Hearing Officer did not state the principle of interdependence as such, that is, in the same terms as the ECJ in Case C-342/97 *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3830 at paragraph 19:

“That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa ...”

Nevertheless, I believe that that principle is implicit in his test. Mr. Salthouse is an experienced Hearing Officer. Whether or not I agree, I cannot assume that he failed to apply the principle of interdependence simply because of the result.

39. The second ground of appeal is that the Hearing Officer did not apply the *Canon* factors when assessing the respective specifications. In Case C-39/97 *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507 at paragraph 23 the ECJ said:

“In assessing the similarity of the goods or services concerned ... all the relevant factors relating to those goods and 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.”

40. It is true that the Hearing Officer neither cited nor referred to the above passage from *Canon*. However, his decision records and on occasion accepts arguments put to him at the hearing by the Opponent’s representative as to the alleged competitive and, or complementary nature of the specifications. Not every factor that weighed with the Hearing Officer needed to be explained (*REEF Trade Mark* [2003] RPC 101 at 110).

41. The parties had accepted that the average public were companies³. In comparing the services the Hearing Officer also took into account (uncontroversial on appeal) the observations of Jacob J in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 at 19:

“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 possible meanings attributable to the rather general phrase.”

42. The Hearing Officer held in relation to the respective services in Class 42:

“38. Clearly, the specifications in Class 42 have a degree of overlap. The applicant’s “Corporate identity design services, web design services and packaging design services; graphic art services” must be considered to overlap with the services offered by the opponent. There is far less similarity between the other services in the applicant’s Class 42 specification (“intellectual property consultancy; corporate identity development and design; brand consultancy services; brand creation.”) and the opponent’s services. Offering advice on intellectual property, corporate identity and brands is a very different field to design services. I accept that at some point in creating a brand or corporate identity there will be an element of design required and so these services must be complementary and have some, albeit a quite low, degree of similarity.”

43. Mr. Malynicz criticised the Hearing Officer’s finding of “overlap” as uncertain; the Hearing Officer should have specified the degrees of similarity he had determined. In my judgment, that is unjustified. The Hearing Officer decided that to a certain extent identical services in Class 42 were involved

³ The Hearing Officer added that not all would be sophisticated, which was not challenged on appeal.

and he employed the term “overlap” because the subject specifications were not co-extensive. The remainder of the Applicant’s Class 42 services were possessed of a low degree of similarity compared to those of the Opponent.

44. The Opponent further contended that the Hearing Officer made an obvious error in treating “corporate identity design services” and “corporate identity development and design” differently. However, it seems to me that in the second half of paragraph 38, the Hearing Officer was dealing with “corporate identity development” separately and that any discrepancy, which might have arisen was due to repetition in the Applicant’s specification. In any case, the contention is beside the point because the Hearing Officer had already made a finding of identity in relation to corporate identity design services.
45. As I understand it, the Opponent’s main objection is in relation Class 35. The Opponent accepted that a specification is limited to what is contained within the Class listed (*Altechnic Ltd’s Trade Mark Application* [2002] RPC 639) but submitted that the Hearing Officer took that to mean that there could be no similarity between the Applicant’s services in Class 35 and the Opponent’s services in Class 42. I reject that submission. The Hearing Officer was merely dealing with the Opponent’s argument that because both sets of services were provided to businesses they were similar⁴.
46. In support of that argument the Opponent had pointed to the evidence of the parties’ respective activities. The Hearing Officer rightly observed first, that he was required to consider the specifications as registered and applied for and second, that the Opponent’s specification was quite narrowly drawn. On appeal, Mr. Malynicz took me again to the evidence of the parties’ actual usages and argued that if the Hearing Officer had applied the *Canon* factors he could not reasonably have formed the opinion that the services in Class 35 of the application were not similar to the Opponent’s Class 42 services. I am not persuaded that the Hearing Officer’s assessment was in error.
47. Finally, Mr. Malynicz contended that “research and development (for others)” in the Opponent’s registration must coincide with “business research services”

⁴ The Hearing Officer took into account that the Explanatory Note to Class 42 of the International Classification of Goods and Services under the Nice Agreement (9th Ed) states:

“Class 42 includes mainly services provided by persons, individually or collectively, in relation to the theoretical and practical aspects of complex fields of activities; such services are provided by members of professions such as chemists, physicists, engineers, computer programmers etc.”

“Business research and evaluations (Cl.35)” are not included.

The Explanatory Note to Class 35 states:

“Class 35 includes mainly services rendered by persons or organizations principally with the object of:

- (1) help in the working or management of a (commercial undertaking, or
- (2) help in the management of the business affairs or commercial functions of an industrial or commercial enterprise,

as well as services rendered by advertising establishments primarily undertaking communications to the public, declarations or announcements by all means of diffusion and concerning all kinds of goods or services.”

in the application. However, I agree with the Hearing Officer's observation at the hearing that because of the comma use, the research services in the Opponent's specification were limited to the areas of the before-mentioned services (i.e., graphic arts etc.).

48. The third ground of appeal under section 5(2)(b) is that the marks were wrongly compared. It is alleged that the Hearing Officer erred: (a) in dismissing the Opponent's argument that ENTERPRISE in the Applicant's mark was descriptive; and (b) in stating that it was trite law that the beginning of a trade mark is usually the most important element.
49. A number of recent decisions from the supervising courts in Luxembourg have emphasised that in order to be descriptive "there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the category of goods and services in question or one of their characteristics" (see, e.g., Case T-67/07 *Ford Motor Co. v. OHIM (FUN)*, 2 December 2008).
50. The Hearing Officer's findings in that regard were:

"44. ... the applicant's mark is "Enterprise IG". The word "Enterprise" has a number of meanings such as a business or firm; a project or undertaking; participation in such projects; readiness to embark on new ventures; boldness and energy; an initiative in business.

45. In my opinion the word "enterprise" when used in relation to the services offered by the applicant, albeit aimed at businesses, does not conjure up a specific image or meaning that would result in it being non-distinctive. It does not describe the activities of the opponent [sic]. As such it is at least as distinctive as the second part of the mark. The combination "Enterprise IG" gives no further clue as to the services on offer."

51. I am unable to detect error in the Hearing Officer's approach. Further, I reject the Opponent's contention that in looking to the beginning of the Applicant's mark, the Hearing Officer failed to compare the marks overall. He continued:

"46. It is trite law that the beginning of a trade mark is usually the most important element. In this case, the opponent contends that the average consumer would ignore the initial word of the applicant's mark and instead focus on the second part of the mark. Both parts are going to be taken into account by the average consumer.

47. Clearly, the fact that the letters IG appear in the applicant's mark provides a degree of visual and aural similarity to the opponent's mark. Equally clearly, the fact that the shared element is the second part of the mark and that the mark as a whole lacks any coherent message means there are differences between the marks. Conceptually the

opponent's mark would be seen as referring to the company IG who offer design services. The applicant's mark would be viewed as a whole and offers no image."

52. Lastly, the Opponent says that the Hearing Officer failed to take into account its evidence of actual confusion. Mr. Farce had exhibited to his Witness Statement dated 20 September 2006 evidence showing that Sarah Lee France in error paid money to the Opponent which was intended for the Applicant's French affiliate (Exhibit MF 10.1 – 10.2). As Mr. Hill pointed out, the incident took place wholly in France and the circumstances of the wrong transfer were unknown. The second letter exhibited by Mr. Farce (Exhibit MF 10.4) was from Del Monte in Staines to Hervé Baralon at the Opponent and as Mr. Hill says, Del Monte knew whom they were e-mailing.
53. Ms. Clara Descours had exhibited two sets of e-mail correspondence to her Witness Statement, dated October 2007. The Hearing Officer noted that the correspondence was entered into between July and September 2007 (i.e., two years after the application in suit). The first set (Exhibit CD 1) shows that when the Opponent e-mailed GlaxoSmithKline, a German based employee thought that the Opponent was connected with the Applicant, whom he knew already⁵. The second set (Exhibit CD 2) indicates that an employee of a German prosecco manufacturer thought that the Applicant might be connected with the Opponent. I agree with Mr. Hill that neither set shows confusion in the UK. Further, as the Hearing Officer observed, the Opponent may well have been offering services over and above those in the earlier registered mark. His task under 5(2)(b) was to globally assess the likelihood of confusion with the Opponent's services as registered.

Costs

54. The Opponent contends that even if the substantive decision is upheld, the Hearing Officer erred in ordering the Opponent to pay the Applicant £4,000 towards the Applicant's costs of the opposition. First, it is said that the award was on a scale higher than that applicable as of the date of commencement of the proceedings. Second, the Opponent claims that the Hearing Officer was wrong to award costs even higher than that scale in circumstances where the Applicant itself did not seek such an order.
55. The notice of opposition was filed on 16 January 2006, which meant that the scale of costs annexed to Tribunal Practice Notice 2/2000 applied. The maximum costs that could have been awarded under that scale were £4,250 (excluding any statutory fee). The Notice itself contemplated that an average award might be in the region of £2,000. Otherwise, the Notice gave no indication of when/how the stated limits should be applied and recognised that those limits could be exceeded in appropriate circumstances.
56. The present opposition involved four sets of objections under sections 3(6), 5(2)(b), 5(3) and 5(4)(a) of the TMA, all of which were actively pursued in

⁵ An English based GSK employee did not appear to make the same mistake.

front of the Hearing Officer. Evidence was submitted on both sides (including of proof of use) and the Opponent submitted evidence in reply. The Opponent did not take me to anything in the decision or the transcript of the hearing to suggest that the Hearing Officer applied the wrong scale of costs.

57. The Hearing Officer stated that he was awarding a sum slightly higher than normal to reflect the pursuance of a ground under section 3(6), which had no prospect of success. By that, I take him to have meant the Opponent's unsubstantiated claim regarding the ex-employee. Even so, the Hearing Officer did not order the maximum available on the scale under TPN 2/2000 (i.e., he did not order costs off the scale) and I see no reason to interfere with his costs order.

Conclusion

58. In the result, the appeal fails. In addition to the sum of £4000, I will order that the Opponent pay the Applicant the sum of £900 towards the Applicant's costs of the appeal.

Professor Ruth Annand, 19 December 2008

Mr. Simon Malynicz of Counsel instructed by Mastrovito & Associates appeared on behalf of the Opponent.

Mr. Jonathan Hill of Counsel instructed by Carpmaels & Ransford appeared on behalf of the Applicant.