

TRADE MARKS ACT 1994

IN THE MATTER OF:

OPPOSITION No. 103189

IN THE NAME OF CRANLEYS SOLICITORS

TO TRADE MARK APPLICATION No. 2601285

IN THE NAME OF CRANLEYS PARTNERSHIP LLP

AND IN THE MATTER OF:

APPLICATION No. 84409

IN THE NAME OF CRANLEYS PARTNERSHIP LLP

FOR INVALIDITY OF TRADE MARK No. 2598898

IN THE NAME OF CRANLEYS SOLICITORS

D E C I S I O N

Opposition No. 103189

1. On 15 November 2011, Cranleys Partnership LLP ('CPL') applied under number 2601285 to register CRANLEYS as a trade mark for use in relation to various services in Class 45 including '*Legal services; conveyancing services*'. The application was opposed by Cranleys Solicitors ('CS') under number 103189 on 30 March 2012 on the basis that use of CRANLEYS as a trade mark for such services would conflict with the rights to which they were entitled under Sections 5(1) and 5(2) of the Trade Marks Act 1994 as proprietors of the earlier trade mark CRANLEYS registered under number 2598898 with

effect from 21 October 2011 for use in relation to '*legal services including legal advice, legal representations, will draftings, conveyancing*' in Class 45. It should be noted that the word '*including*' (and the words which followed it) placed no limit on the scope of the registration for '*legal services*'.

Invalidity Application No. 84409

2. On 17 May 2012, CPL applied under number 84409 for a declaration of invalidity in relation to CS's trade mark number 2598898 inter alia on the basis that use of CRANLEYS as a trade mark for legal services would conflict with: (i) the rights to which CPL were entitled under Section 5(2)(a) of the 1994 Act as proprietors of the earlier trade mark CRANLEYS registered under number 2553198 with effect from 15 July 2010 for use in relation to various goods and services including '*accountancy*' services in Class 35; and (ii) the unregistered rights to which they were entitled under Section 5(4)(a) of the 1994 Act by virtue of the use they and their predecessors in business had made of the name CRANLEYS for accountancy services since 1998.

The Hearing Officer's Decision

3. The opposition brought by CS in relation to CPL's trade mark application number 2601285 was upheld and the application for invalidity brought by CPL in relation to CS's trade mark number 2598898 was rejected for the reasons given by Ms. Louise White on behalf of the Registrar of Trade Marks in a written decision issued under reference BL O/385/13 on 25 September 2013. She ordered CPL to pay £1,400 to CS as a contribution towards their costs of the Registry proceedings.

The central question

- (i) CS's opposition was bound to succeed if CPL's application for invalidity failed and bound to fail if CPL's application for invalidity succeeded. The fate of CPL's application for invalidity depended upon the answer to the central question whether '*legal*' and '*accountancy*' services were '*similar*' so as to be: (i) conducive to a likelihood of confusion as envisaged by Section 5(2)(a) of the Act; or (ii) conducive to a likelihood of misrepresentation for the purposes of the law of passing off as envisaged by Section 5(4)(a) of the Act; in the event of concurrent use of the trade mark CRANLEYS for '*legal*' and '*accountancy*' services by service providers trading independently of one another.

4. The Hearing Officer concluded as follows in her assessment of the objection to validity under Section 5(2)(a):

[27] ...When comparing these services, their substance and core meaning is crucial. So while it may be reasonable to accept that an accountant may have a degree of legal knowledge to the extent necessary to enable them to perform their role, this does not mean that a legal service of the like provided by a solicitor or barrister is being provided. Rather, an accountant is someone who keeps, audits and inspect the financial reports of an individual or a business and who prepares reports in this regard. A knowledge of particular areas of law is clearly required as part of this role, in order to ensure compliance etc but there are many professions where the same is true. For example, a Human Resources professional requires knowledge of employment law. However, they are not providing a legal service of the like provided by a legally qualified professional. Bearing in mind all of the foregoing, it is considered that these services are not similar. ...

...

[31] The sum of all this is that, despite the fact that the respective trade marks are identical, the goods and services are not, when applying *Avnet*, similar. As such, there cannot be a likelihood of confusion. Bearing in mind all of the foregoing, the ground of invalidation under Section 5(2)(a) of the Act fails.

5. She concluded as follows in her assessment of the objection to validity under Section 5(4)(a):

[47] It has already been considered, for the purposes of Section 5(2)(a) that accountancy services are not similar to the contested legal services and much of the aforementioned analysis also applies here. For the purposes of Section 5(4)(a), they are not considered to fall within the same field of activity as it is not the norm for an accountant to provide a legal service in the same manner as that provided by a legal professional. It is the norm for these services to be perceived as quite different specialisms provided by distinct professionals. So a consumer wishing for example to draft a will with Cranleys solicitors is unlikely to be misled into thinking that Cranleys accountants could provide such a service. It is also common practice for the names of both solicitors and accountants firms to be comprised of a surname or surnames. It is therefore difficult to see how there can be a misrepresentation here. As such, it is considered that this ground of opposition fails in its entirety.

The Appeal

6. CPL appealed to an Appointed Person under Section 76 of the Act contending, in substance, that the Hearing Officer had erred fundamentally by assessing their objections under Sections 5(2)(a) and 5(4)(a) on the basis that '*legal services*' and '*accountancy*' services '*are not similar*' and for that reason had wrongly rejected their application for invalidity and their application for registration. CS maintained that the Hearing Officer was entitled to make the determinations she did for the reasons she gave. The parties

developed their opposing positions in oral argument at the hearing before me. It was common ground that the central question in the case had to be answered by reference to function (the nature of the consumer needs and requirements fulfilled by providers of ‘*legal*’ and ‘*accountancy*’ services) rather than by reference to status (the nature of the qualifications and training that providers of ‘*legal*’ and ‘*accountancy*’ services might be expected to have received).

Decision

7. The Appeal must in my judgment be allowed for the following reasons:
 - (1) The question for determination under Section 5(2)(a) was whether there were similarities (in terms of marks and services) that would have combined to give rise to the existence of a likelihood of confusion if the mark CRANLEYS was used concurrently for ‘*legal*’ and ‘*accountancy*’ services by service providers trading independently of one another in the United Kingdom in October 2011.
 - (2) Both as between marks and as between goods and services, the evaluation of ‘*similarity*’ is a means to an end. It serves as a way of enabling the decision taker to gauge whether there is ‘*similarity*’ of a kind and to a degree which is liable to give rise to perceptions of relatedness in the mind of the average consumer of the goods or services concerned. This calls for a realistic appraisal of the net effect of the similarities and differences between the marks and the goods or services in issue, giving the similarities and differences as much or as little significance as the average consumer (who is taken to be reasonably well-informed and reasonably

observant and circumspect) would have attached to them at the relevant point in time.

- (3) The factors conventionally taken to have a particular bearing on the question of ‘*similarity*’ between goods and services are: uses, users and the nature of the relevant goods or services; channels of distribution, position in retail outlets, competitive leanings and market segmentation: see Case C-39/97 Canon KK v. Metro Goldwyn Mayer Inc. [1998] ECR I-5507 at paragraph [23] and paragraphs [44] to [47] of the Opinion of Advocate General Jacobs in that case. More than just the physical attributes of the goods and services in issue must be taken into account when forming a view on whether there is a degree of relatedness between the consumer needs and requirements fulfilled by the goods or services on one side of the issue and those fulfilled by the goods or services on the other.
- (4) Trading activities clearly and naturally comprehended by the reference in CS’s trade mark registration to ‘*legal*’ services (without limitation) had to be evaluated for ‘*similarity*’ relative to trading activities clearly and naturally comprehended by the reference in CPL’s trade mark registration to ‘*accountancy*’ services (without limitation). Evidence in relation to this aspect of the objection to registration was described as ‘*necessary*’ by the CJEU in Case C-39/97 Canon KK v. Metro Goldwyn Mayer Inc. (above) at paragraph [22]. Although that consideration is overlooked or ignored in the great majority of cases under Section 5(2) of the Act, it was addressed by CPL in evidence in the present case.

- (5) *'Accountancy'* services are by no means narrowly confined to *'accounting'*. As the evidence confirms, it was and remains commonplace in the United Kingdom for clients to obtain *'legal'* and *'accountancy'* advice and assistance for the purpose of working out what the effects of economically significant transactions or events were, are or will be in accordance with the legal and/or regulatory regimes which apply to them. Examples of that can easily be multiplied from the fields of corporate governance and compliance, acquisitions and reorganisations, land transactions, licences and assignments of intellectual property, taxation, insolvency, wills, trusts, probate, the administration of estates, financial settlements, litigation support and more besides involving the integrated provision of *'legal'* and *'accountancy'* services on a case by case, client by client basis.
- (6) It is precisely because the provision of *'legal'* and *'accountancy'* services has converged the way it has in the United Kingdom that claims could be mounted (ultimately without success for historical reasons) for the costs of engaging accountants to conduct tax litigation in court to be recoverable in the same way as the costs of engaging solicitors to do so: Agassi v. Robinson (Inspector of Taxes) (No. 2) [2005] EWCA Civ. 1507; [2006] 1 WLR 2126 (CA); and for legal advice provided by accountants to be protected by privilege in the same way as legal advice provided by members of the legal profession: R (on the application of Prudential Plc and Another) v. Special Commissioners of Income Tax [2013] UKSC 1. I do not think it can be doubted either that there is similarity in the sense of relatedness between *'legal'* services specified without limitation and *'accountancy'* services specified without limitation or that the degree of similarity

in the sense of relatedness between them has at all material times been sufficient to require CPL's objection to the registration of CS's trade mark number 2598898 to be upheld under Section 5(2)(a) of the 1994 Act.

- (7) The question for determination under Section 5(4)(a) was whether use of the designation CRANLEYS for the purpose of distinguishing CS's '*legal*' services from those of other undertakings was liable to be prevented at the date of the application for registration of trade mark number 2598898 (21 October 2011) by enforcement of rights which CPL could then have asserted against CS in accordance with the law of passing off.
- (8) The evidence on file established that CPL and their predecessors in business had over the years since 1998 built up and acquired a goodwill and reputation as providers of accountancy services under and by reference to the name CRANLEYS. Their client base ranged from small and medium sized businesses to some major UK businesses. The evidence of their founder, Mr. Colin Davison, in paragraphs 7 and 8 of his witness statement dated 16 November 2012 indicated that their services to clients had included book-keeping, business plans, VAT advice and planning, company formation (involving the preparation of company constitutional documents and related documents such as shareholders agreements), company secretarial services, debt recovery services, franchising advice and support, employment related documentation, conveyancing and property related services, general contractual advice and assistance, tax planning and trust advice and structuring.

- (9) The position as at 21 October 2011 was that persons acquainted with use of the name CRANLEYS by CPL and its predecessors in business for services of the kind referred to in (8) above would quite naturally have expected the same trading entity to be responsible for ‘*legal*’ services provided under the name CRANLEYS in relation to business, property and financial matters.
- (10) Trade mark number 2598898 encompasses the provision of ‘*legal*’ services under the name CRANLEYS in relation to business, property and financial matters. By providing such services under that name on and after 21 October 2011, CS would have been trading (as a result of the belief and expectation referred to in (9) above) in a manner conducive to the existence of a likelihood of misrepresentation with a concomitant likelihood of damage to the goodwill and reputation built up and acquired by CPL and its predecessors in business under that name. CPL’s objection to registration should accordingly have been upheld under Section 5(4)(a) of the 1994 Act.

Conclusion

8. For the reasons I have given:
- (1) The Hearing Officer’s decision and order as to costs are set aside.
- (2) Application No. 84409 for a declaration of invalidity succeeds under Sections 47(2), 5(2)(a) and 5(4)(a) of the Trade Marks Act 1994 in relation to the registration of Trade Mark No. 2598898 in its entirety.

(3) Opposition No. 103189 to Trade Mark Application No. 2601285 is rejected in its entirety.

(4) Trade Mark Application No. 2601285 is remitted to the Registrar for further processing in accordance with the provisions of the Trade Marks Act 1994 and the Trade Marks Rules 2008.

9. The Hearing Officer considered that £1,400 was the appropriate amount to award by way of costs in respect of the consolidated proceedings in the Registry. That was in circumstances where both sides had filed evidence and neither side had requested a hearing or filed written submissions in support of their position. The appeal proceeded to a hearing before me with both sides being professionally represented and skeleton arguments being filed in the usual way. I think it would be appropriate to direct payment of a single sum by the unsuccessful party to the successful party in relation to the costs of the consolidated proceedings at first instance and on appeal. I consider that it would be proportionate and fair to require CS to pay £2,500 to CPL as a contribution towards their costs of the proceedings as a whole. That sum is to be paid by CS to CPL within 21 days of the date of this Decision.

Geoffrey Hobbs QC

31 July 2014

Thomas St. Quintin instructed by JP Mitchell Solicitors appeared as Counsel on behalf of the Appellants.

Jane Lambert instructed by Westfield Solicitors appeared as Counsel on behalf of the Respondents

The Registrar did not take part in the proceedings on appeal.