

O-350-12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2569665
BY BRAIN RESEARCH TRUST
TO REGISTER THE TRADE MARK**

BRAIN RESEARCH UK

**AND THE OPPOSITION THERETO UNDER NO. 102194
BY BRAIN RESEARCH UK LIMITED**

AND

**IN THE MATTER OF APPLICATION NO. 2575089
BY BRAIN RESEARCH UK LIMITED
TO REGISTER A SERIES OF TWO TRADE MARKS**



**AND THE OPPOSITION THERETO UNDER NO. 101988
BY BRAIN RESEARCH TRUST**

Background and the issues in dispute

1. These proceedings concern two trade mark applications by two different applicants, each of which has opposed the other's application. The earlier of the two applications was filed on 20 January 2011, by Brain Research Trust ("Trust") for the mark BRAIN RESEARCH UK, in classes 36, 42 and 44 for the following services:

Charitable fund raising; financial grant-making; provision of funding for research; advisory, consultancy and information services in relation to all the aforesaid services.

Medical and technical research, investigations and studies; provision of medical and technical reports; including all the aforesaid in relation to the nervous system and diseases of the nervous system and allied subjects, and particularly (but not exclusively) the causes, means of prevention, diagnosis, method of treatment and cure of such diseases; advisory, consultancy and information services in relation to all the aforesaid services.

Advisory, information and consultancy services relating to the nervous system and diseases of the nervous system and allied subjects, and particularly (but not exclusively) the causes, means of prevention, diagnosis, method of treatment and cure of such diseases ; advisory, consultancy and information services in relation to all the aforesaid services.

2. The application was published in the *Trade Marks Journal* on 29 April 2011 and on 20 July 2011 it was opposed by Brain Research UK Limited ("Limited") on the grounds that registration would be contrary to sections 3(1)(c), 3(3)(b) and 3(6) of the Trade Marks Act 1994 ("the Act").

3. Specifically, Limited claims that the words Brain Research UK are descriptive of a charity that raises money for brain research in the UK, or which performs brain research in the UK, or which provides information based on such research. The mark therefore may serve to designate a characteristic of the services. Limited says that anyone seeing a collecting tin, or advertisement seeking donations, bearing the words BRAIN RESEARCH UK, would immediately recognise what the money was being raised for. The words are descriptive and the mark is unregistrable under section 3(1)(c) of the Act, which states:

"3.— (1) The following shall not be registered –

- (a) ...
- (b) ...
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) ...

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

4. Limited’s pleading under section 3(3)(b) of the Act has two limbs. Firstly, Limited claims that the words BRAIN RESEARCH UK imply that the charity funds research throughout the UK. The applicant is a single institute charity, and raises funds only for UCL’s Institute of Neurology, in London, so use of the mark would mislead the public. Secondly, to the extent that the activities in classes 36, 42 and 44 are unrelated to brain research, the mark is misleading and so deceptive. Section 3(3)(b) of the Act provides:

“3.— (3) A trade mark shall not be registered if it is—

(a) ...

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

5. Section 3(6) of the Act states:

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

Limited’s claim is as follows:

“The applicant’s [Trust’s] name is Brain Research Trust, and the applicant is apparently the successor in title to a charity called The Brain Research Trust. The applicant or its predecessor have used the name Brain Research Trust (with or without the definite article for some 40 years. It may be assumed that the applicant has a reputation in that name. The applicant has not used the mark BRAIN RESEARCH UK, which is the name of a different charity (the opponent). The Charity Commission will not permit Trust to change its name to adopt the name of a different charity. The applicant [Trust] can have no good faith reason to register the mark.”

Limited states that Trust went through the administrative procedures to register as a limited company, to change to the name Brain Research Trust, and to register the company as a charity, in 2010. The transfer of the assets to the new charity was completed on 1 October 2010. Limited states that it, too, is a charity, founded by Dr A Wilson, who registered the domain name brainresearchuk.org on 26 January 2010. The website went live on 9 December 2010 and Limited obtained registration as a limited company on 5 January 2011 and applied to the Charity Commission for registered charity status the following day. This registration was completed on 10 February 2011. Limited says that Trust has asserted that it registered several domain names (all including the element brainresearchuk) in May 2010 which it states is several months after Dr Wilson registered Limited’s domain name.

Furthermore, Trust's trade mark application was made six weeks after Limited's website had gone live and two weeks after Limited had been registered as a company and applied for registered charity status. Limited claims:

"It is clear that the applicant must have been aware of the existence of Brain Research UK when it applied for the mark, or the applicant was wilfully ignorant. The applicant's actions in applying for registration of a trade mark that it does not use, and which it knows to be the name of a different charity, fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced people in this area.

The applicant asserted in February 2011 that it had been giving consideration to renaming its organisation as "Brain Research UK" for over a year. If this "consideration" were genuine, it is surprising that the applicant did not make this change during 2010. Instead, the applicant changed its name in 2010 by omitting the definite article."

6. Trust filed a counterstatement on 11 October 2011, denying the grounds of opposition. Trust claims that whilst the individual words of its mark are descriptive, the combination is distinctive and not descriptive of the services. Trust says that there is nothing deceptive about a charity raising funds which are spent by a single entity having the word UK in its name. Trust also says that there is no requirement "under current practice" for it to limit its application to services connected with brain research, although it would be prepared to do so if the Registrar deemed it appropriate. In answer to the bad faith claim, Trust says that even if it were aware of Limited's use of BRAIN RESEARCH UK, it could not have known that Limited was a charity because it was not registered as a charity until some time after Trust's application was filed. Even if it had been aware of this fact, the application was still not made in bad faith because Trust had a demonstrable legitimate interest in the mark dating back at least to May 2010 when it registered its own domain names. Awareness of Limited's interest in the mark would not alter Trust's right to assert its own valid interests. Trust says:

"If the Opponent wishes to object to the Application based on its own earlier claimed rights in the name, then the appropriate means of doing so is by raising a section 5 objection. To allow the Opponent to prevent registration simply on the basis that it had a website displaying the name and a corresponding company registration at the time of the Application would be to effectively introduce a very powerful additional relative ground of refusal via the back door".

7. Limited had also filed a trade mark application for a series of two marks:





The application was filed on 9 March 2011, published on 15 April 2011, and was opposed by Trust on 27 May 2011 under sections 5(1), 5(2)(a) and 5(2)(b) of the Act on the basis of Trust's earlier trade mark application 2569665, which is itself opposed by Limited, as detailed above. Limited's application is in class 36:

Charitable fund raising; financial grant-making; provision of funding for research; advisory, consultancy and information services in relation to all the aforesaid services.

8. Limited filed a counterstatement on 22 August 2011 in which it denied Trust's ground of opposition because the mark combines a dandelion logo with words which are Limited's name, which is a charity. The marks are not identical so the application is not contrary to section 5(1) and 5(2)(a); as regards section 5(2)(b), the dandelion logo makes it distinctive and different to Trust's mark.

9. The proceedings were consolidated by the Trade Marks Registry. Both parties filed evidence and I heard their representatives' submissions at a hearing on 31 May 2012. Trust was represented by Mr Jonathan Moss of Counsel, instructed by Bates Wells and Braithwaite London LLP, its trade mark attorneys. Limited was represented by its trade mark attorney, Mr Peter Mansfield, for Collier IP Management.

10. As set out at the beginning of this decision, Limited's section 3(3)(b) ground of opposition has two limbs. The first of these (that deception would be caused by Trust raising funds only for UCL's Institute of Neurology, in London, and therefore not offering its services UK-wide), was answered in evidence by Trust in a witness statement (running to over eight pages) and nine exhibits from Trust's chief executive, Lindsay Easton. Before turning to the evidence relating to the other grounds of opposition, I will deal with this aspect of Limited's section 3(3)(b) ground. The witness statement and exhibits dealt only with this particular aspect of Limited's section 3(3)(b) ground. I will not summarise them because I consider the ground to be misconceived for the following reasons.

11. Section 3(3)(b) of the Act derives directly from article 3(1)(g) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 ("the Directive"). In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04 the Court of Justice of the European Union ("CJEU") stated:

"47 Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).

48 In the present case, even if the average consumer might be influenced in his act of purchasing a garment bearing the trade mark 'ELIZABETH EMANUEL' by imagining that the appellant in the main proceedings was involved in the design of that garment, the characteristics and the qualities of that garment remain guaranteed by the undertaking which owns the trade mark.

49 Consequently, the name Elizabeth Emanuel cannot be regarded in itself as being of such a nature as to deceive the public as to the nature, quality or geographical origin of the product it designates.”

12. As well as it being clear that there must be a real (as opposed to a purely theoretical) potential for deception of the public, it is also clear from the judgment that the deception envisaged must be borne of the intrinsic qualities of the mark itself, and does not relate to the identity of the proprietor. This is because trade marks are items of transferrable property and can be owned by a sequence of different proprietors, with differing standards of use of the mark. It is therefore irrelevant that Trust currently raises funds for a London-based neurological university college hospital. This fact may change over time, either by Trust's different mode of operation or if the mark is acquired by another proprietor. Trust's current funding activity therefore has no bearing upon the intrinsic qualities of the mark BRAIN RESEARCH UK and so **the first limb of Limited's section 3(3)(b) ground fails**. I will consider the second limb of Limited's section 3(3)(b) ground later in this decision.

Limited's evidence

Dr Angela Wilson's first witness statement

13. Dr Angela Wilson is a founder and trustee of Limited, the aim of which is to raise funds for brain research. Limited was founded in 2009 and, on 26 January 2010, Dr Wilson bought the domain name brainresearchuk.org. The website went live on 9 December 2010 and, on 26 December 2010, Dr Wilson applied for registration of Brain Research UK Limited as a company. Limited's certificate of incorporation was issued on 5 January 2011. The following day, Dr Wilson submitted an application to the Charity Commission to register Brain Research UK as a charity¹. Registration was achieved on 10 February 2011².

14. Exhibits 6 to 9 of Dr Wilson's evidence relate to the activities of Trust, which was registered as a company on 13 August 2010. Trust was formally registered as a charity called The Brain Research Trust (from 15 October 1971). The Charity Commission registered its new name, Brain Research Trust, on 16 February 2011. Trust's financial report (30 September 2010) indicates that Trust took the opportunity of the move, from an unincorporated charity to a charitable company limited by guarantee, to simplify its name by removing 'The'. The report says that the charity is “strongly committed to supporting the research carried out at University College London's Institute of Neurology...long recognised as a world class centre of research excellence”. Dr Wilson concludes her statement by saying:

¹ Receipt shown at Exhibit 4.

² Exhibit 5.

“When I took steps to form Brain Research UK...I was aware of the activities of The Brain Research Trust. I considered that a charity with a focus on funding brain research throughout the UK, rather than only at a single London Institute, would be beneficial for brain research. The name Brain Research UK hence accurately describes the aims of the charity of which I am a trustee.”

15. Dr Wilson also made a supplementary witness statement (dated 1 November 2011, the first being dated 1 July 2011). She states that she wrote to the Charity Commission on 15 May 2011 about Trust’s trade mark application, also writing to her MP, Mr Ed Vaizey, at the same time. She received a reply, which was addressed to Mr Vaizey, but which was also copied to her and this is attached to her supplementary witness statement as an exhibit. Dr Wilson states:

“I attach a reply from the Charity Commission, from which the aspects which are not relevant to the above issue have been redacted. You will see, on the second page immediately below the third section of redacted text, that the Charity Commission states:

“However, if the Brain Research Trust approached us with a view to changing their main registered name to Brain Research UK we would not accept the amendment on the basis that it was the same as another registered charity”.”

16. The main parts of the redacted letter are shown below:

As I am sure you are aware, Brain Research UK was registered as a charity in February 2011. The Brain Research Trust is also a registered charity (registered number 1137560) and was registered in August 2010, although it was previously registered as an unincorporated charity since 1971. I understand that Dr Wilson’s concerns are that the Brain Research Trust has indicated their intention either to change their name or to add another trading name of Brain Research UK. Dr Wilson wants to know whether the Commission can take action to prevent them pursuing this course of action due to the negative impact it would have on Brain Research UK as a separate charity.

The Commission’s role in relation to charity names is limited to the powers provided by s.6 of the Charities Act 1993. Essentially these provisions allow the Commission to direct a charity to change its main registered name if:

- It is the same as another registered charity;
- In our opinion it is too similar to that of another registered charity;
- In our opinion the name is likely to mislead the public as to the true nature of the charity’s purposes and/or activities;
- The name includes particular words specified in regulations whose use is misleading (such as University or Royal)

- The name is likely to give the impression of a connection to Her Majesty's government, local authority or individual when it is not so connected; or
- The name is offensive.

[REDACTED]

When we register a charity we check that the name does not breach any of the provisions of s.6; in particular, we check the register to ensure that the name is not the same as an existing charity. We accepted the name Brain Research UK on the basis that it was sufficiently different to the Brain Research Trust.

[REDACTED]

I note that the Brain Research Trust have sought to trademark and otherwise protect the name "Brain Research UK".

[REDACTED] However, if the Brain Research Trust approached us with a view to changing their main registered name to Brain Research UK we would not accept the amendment on the basis that it was the same as another registered charity.

With regard to the trademark issue, this is outside the jurisdiction of the Commission and I note that both charities have sought professional legal advice. It is regrettable that charitable funds are being applied for this purpose if the matter could be resolved more informally, however legal fees are a legitimate use of a charity's funds and this is a highly specialised area where the trustees would be well advised to take the appropriate advice.

As Dr Wilson, is probably aware, further general information about trademarks is available on the website of the UK Intellectual Property Office: <http://www.ipo.gov.uk>

I hope that this explains our position and the extent of the Commission's jurisdiction in this matter. We would hope that the trustees of both charities can work together to reach an amicable resolution.

17. This redacted letter was the subject of some last-minute procedural activity, which I dealt with at the hearing as a preliminary issue. Three days before the hearing, Trust's attorneys sent to the Registry a copy of a letter which it had sent the same day to Limited's attorneys, asking for sight of the redacted sections of the letter. It was particularly concerned about the final redaction because the word "however" in the sentence following the redaction suggested that the redacted part was in contrast, or was a contradiction. Limited's attorneys provided the complete letter, which Trust's attorneys sent to the Registry two days before the hearing, asking that it be made available to me.

18. On the same day, Limited's trade mark attorneys sent an email to the Registry asking to include, in its evidence, a letter which Trust's trade mark attorneys had sent to Dr Wilson on 17 February 2011. The reason given for the inclusion of the letter in the evidence was that Counsel for Trust had referred to it in his skeleton argument. The letter is of a standard 'cease and desist' type, based upon Trust's trade mark application and Limited's domain name. Limited's trade mark attorney was concerned that the content was misrepresented in the skeleton argument. All that was said in the skeleton argument was that, as part of a timeline, Trust contacted Limited on 17 February 2011 to inform the latter that BRAIN RESEARCH UK was already in the process of being registered. There is no misrepresentation of

its content and it does not add anything to the proceedings. I declined to admit the letter as evidence.

19. However, I did allow the complete version of the redacted letter into the proceedings because the redacted parts were, in my view, not wholly irrelevant to the matters before me and their redaction, on the grounds of irrelevance, was at best misguided and at worse disingenuous. The complete section of the letter is shown below:

~~The powers in s.6 do not extend to working or trading names or to the use of logos, internet domain names or other promotional material. We would also only consider using these powers if all other methods of resolving the concerns had failed and it was the only option.~~

~~When we register a charity we check that the name does not breach any of the provisions of s.6; in particular, we check the register to ensure that the name is not the same as an existing charity. We accepted the name Brain Research UK on the basis that it was sufficiently different to the Brain Research Trust. However, entry of a name onto the register does not protect a name or guarantee its exclusive use – it is not the same as a trademark or other forms of legal protection.~~

~~I note that the Brain Research Trust have sought to trademark and otherwise protect the name "Brain Research UK". The Commission does not have any power to prevent them from doing so if their intention is to use it as a working or trading name. However, if the Brain Research Trust approached us with a view to changing their main registered name to Brain Research UK we would not accept the amendment on the basis that it was the same as another registered charity.~~

Rather than raising suspicions that the content said more than it actually did, it would have been simpler to have adduced the complete letter. Nothing in particular turns upon the letter (it is no surprise that the Charity Commission has no jurisdiction over trade mark applications). However, if Limited's bad faith pleading covered lack of intention to use, as argued at the hearing, then the redaction removed potentially relevant material which showed that the block on changing Trust's registered charity name would not have stopped it using it as a trading name. I say more about this later in the decision.

Peter Mansfield's witness statement

20. Mr Mansfield is Limited's trade mark attorney. His evidence is aimed at proving that 'brain research' is a widely-used descriptive phrase used by bodies engaged in brain research. I do not need to describe the exhibits which show this because, apart from stating the obvious, Counsel for Trust said at the hearing "[w]hat Mr Mansfield achieves in this statement, and what we do not disagree with, is that brain research means brain research".

21. The second part of Mr Mansfield's statement deals with names of registered charities which include medical/health conditions and the words 'Research' and/or 'UK'. Mr Mansfield states:

"There are many charities whose name indicates a medical condition or an organ, followed by "Research UK". Some examples are as follows:

Alzheimer's Research UK	- charity regd. 1999; name change July 2010
Arthritis Research UK	- charity regd. 1962; name change March 2010
Cancer Research UK	- charity regd. 2001; amended September 2008

Epilepsy Research UK	- charity regd. 2003; name change March 2007
Eye Research UK	- charity regd. 2002; name change January 2006
Heart Research UK	- charity regd. 1995; name change March 2005
Kidney Research UK	-charity regd.1967; name change September 2005
Mental Health Research UK	- charity regd. 15 August 2008
Orthopaedic Research UK	- charity regd. 12 October 2005.

Stuart Morris' witness statement

22. Mr Morris, the publications manager of Culham Publication Services gives evidence that Dr Wilson requested his company to design some branding and a website on 12 August 2010, which went live on 9 December 2010.

Trust's evidence

23. As detailed in paragraph 10 of this decision, Ms Easton's first witness statement was filed to meet the first limb of Limited's section 3(3)(b) ground, which I have dismissed without the need to describe the content of her evidence.

Lindsay Easton's second witness statement

24. Ms Easton's witness statement is confined to a rebuttal of the bad faith ground, in particular Limited's statement (in its notice of opposition) that "[t]he applicant asserted in February 2011 that it had been giving consideration to renaming its organisation as "Brain Research UK" for over a year. If this "consideration" were genuine, it is surprising that the applicant did not make this change during 2010. Instead, the applicant changed its name in 2010 by omitting the definite article". Ms Easton gives the background to Trust's change of name from The Brain Research Trust to Brain Research Trust and the adoption of the trade mark BRAIN RESEARCH UK.

25. Ms Easton states that Trust had a *bona fide* interest in adopting "the name" Brain Research UK as early as November 2009 and had made significant preparations to adopt Brain Research UK as its trading name prior to filing the trade mark application. Trust registered the domain names brainresearchuk.org.uk, bruk.org.uk and brainresearchuk.co.uk in May 2010, seven months before Limited's website was available to the public (9 December 2010) and nine months before Limited's name was registered with the Charity Commission (10 February 2011). Ms Easton exhibits to her witness statement a witness statement and exhibit from Mathew Healey³, Trust's trade mark attorney. Mr Healey states:

“3. I spoke to Lindsay Easton of Brain Research Trust on 8 November 2010, principally in connection with the possibility of registering 'Brain Research Trust' as a UK trade mark.

4. During the course of our discussion, we also briefly talked about the possibility of registering Brain Research UK as a trade mark. I recall that

³ Labelled as Mr Healey's second witness statement.

Lindsey [sic] conveyed that there was a genuine interest in using this name, once the change had been agreed by the trustees.

5. I also recall that I advised Ms Easton that an application to register the word mark 'Brain Research UK' could be refused in accordance with the provisions of Section 3(1) of the Trade Marks Act 1994. Further research following our conversation suggested however that these concerns were unfounded."

26. Mr Healey attaches a copy of his contemporary note of the discussion⁴:

MH speaking to Lindsay Easton (LE) of Brain Research Trust (BRT).

We discussed the basics, including the possibility for absolute ground and relative ground problems (I indicated that I believed issues based on either was fairly low). We also clarified the likely costs of the application.

LE was not happy with the specification I had drafted and suggested that I revisit it, having looked at the Memorandum and Articles of Association of the BRT. I said I would do this and get a revised draft to her.

We discussed that it was not really worth registering BRT as they would essentially be known as Brain Research Trust.

We discussed the possibility that they may change the name to Brain Research UK. This had recently not been accepted by the trustees but she felt that this was something that could happen a little way down the line. She said that she had "bagsied" (her words) the domain names but wanted to discuss the interaction of trade marks and domain names. I explained that having a registered trade mark would block someone else using in trade, but not necessarily registering, another domain name. I also mentioned that Brain Research UK could be considered too descriptive for registration and advised preparing a logo version of the mark which would have better prospects of success.

We agreed that I would press on with drafting the revised trade mark straightaway, and that I would remind her further down the line about applying to register Brain Research UK.

27. Ms Easton highlights the fact that a change of name to Brain Research UK had not been accepted by the trustees as of August 2010, the month in which Trust's constitutional changes occurred, but that a change to Brain Research UK was something which it was felt would happen "a little way further down the line". Ms Easton goes on to explain, in relation to Limited's allegation that Trust "must have been aware of the existence of Brain Research UK when it applied for the mark, or [Trust] was wilfully ignorant", that Limited was not registered as a charity until 10 February 2011, three weeks after the date on which Trust's application was filed. Ms Easton says that therefore Limited is wrong in claiming that Trust must have known at the time of filing its trade mark application that a charity existed called Brain Research UK. She states that Trust was looking to register Brain Research UK for potential future use as opposed to a necessarily immediate change of name and that this is why no extensive enquiries into third-party rights were undertaken prior to filing the application.

⁴ Exhibit MDHb1

Mathew Healey's witness statement

28. Mr Healey's evidence addresses Limited's section 3(1)(c) ground. He states that in his capacity as a trade mark attorney, around 75% of his work is on behalf of charities and that he has considerable experience of how charities brand themselves and how donors and those who rely on the charities' services understand that branding. Mr Healey says that it is his "strong experience" that those in the charity field, donors and users of charities generally understand the format "X Research UK" to be the name of an organisation or charity, rather than mere descriptions of a particular activity. Exhibit MDH1 includes printouts of eight registered UK trade mark registrations in this format:

- (i) Classes 5, 10, 16, 36, 41, 42 (including charitable fund raising and medical research services)



- (ii) Classes 5, 10, 16, 36, 41, 42 (including charitable fund raising and medical research services)



- (iii) Classes 6, 16, 21, 24, 25, 28, 35, 36, 41 (including charitable fundraising services)

KIDNEY RESEARCH UK

- (iv) Classes 6, 16, 21, 24, 25, 28, 35, 36, 41 (including charitable fundraising services)



- (v) Classes 16, 35, 36, 41 (including charitable fundraising services)



(vi) Classes 16, 36, 41, 44 (including charitable fundraising and medical advisory services)

HEART RESEARCH UK

(vii) Classes 36, 41, 42, 44, 45 ((including charitable fundraising, medical research services and medical advisory services)



(viii) Classes 42 for legal services.



29. Mr Healey lists some of the charity names which Mr Mansfield (for Limited) had listed in his evidence: Alzheimer's Research UK, Arthritis Research UK, Epilepsy Research UK, Cancer Research UK, Heart Research UK, Kidney Research UK and Orthopaedic Research UK. In Exhibit MDH3 he gives printouts relating to these charities from the Charity Commission website and also prints from the Internet showing that these are the charities' operational 'trading' names. The printouts from the internet (as opposed to the Charity Commission) show some of the charity names in the stylised format in which they are registered as trade marks. Only Alzheimer's Research UK and Kidney Research UK are shown used as word-only trade marks.

Limited's evidence in reply

Dr Angela Wilson's witness statement

30. The first section of Dr Wilson's witness statement deals with Trust's evidence in relation to the first limb of Limited's section 3(3)(b) ground and, for the reasons already set out, I do not need to describe its content, save to note that Dr Wilson also gives details about the charities listed elsewhere in the parties' evidence. She explains that they all fund research throughout the UK and that "The name Brain Research UK would therefore be expected to relate to a charity which funds brain research throughout the UK. That is why I selected this name for the charity that I founded."

31. In relation to the bad faith ground, Dr Wilson states that she has checked Trust's domain names brainresearchuk.org.uk and brainresearchuk.co.uk and that they both redirect to Trust's website, which has caused confusion for those seeking Limited's website because they contain Limited's charity name.

33. The remainder of Dr Wilson's witness statement takes the form of submissions, which I will bear in mind but will not record as evidence.

Trust's evidence in reply

Ms Easton's witness statement

34. The majority of this witness statement addresses the section 3(3)(b) (first limb) ground and, again, I do not propose to describe the content. The remainder concerns the redacted letter and the rights engendered by registering a name with the Charities Commission (i.e. a registered charity name does not give trade mark rights or render the charity immune from trade mark law).

Decision

35. I will look firstly at Limited's opposition against Trust's application, beginning with the section 3(6) (bad faith) ground. The law was summarised by Arnold J in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

"130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C-529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of

Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but 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": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, *inter alia*, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

139. There have been a series of cases in which courts and tribunals have had to consider whether a lack of intention to use the trade mark on the part of the applicant constitutes bad faith within section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation. It should be noted at the outset that there are a number of variants of this question, including the following:

(1) whether the making of a declaration of intention to use the mark as required by section 32(3) of the 1994 Act, which is false because in fact the applicant did not intend to use the mark, amounts to bad faith;

(2) whether an intention to use the mark in relation to some goods covered the application, but not others - and hence a statement of intention to use that is true in relation to the former goods, but not in relation to the latter – amounts to bad faith; and

(3) whether a lack of intention to use amounts to bad faith if there are exacerbating factors, such as (a) an attempt to obtain protection for an unregistrable mark or (b) an attempt to block others from registering the mark by repeated applications."

36. At the hearing, Mr Mansfield said that there were two aspects to the bad faith ground; the first being intention to use and the second that the application was made in the knowledge that another charity (Limited) had already adopted the name Brain Research UK. Mr Moss pointed out that the first of these aspects was not pleaded. Mr Mansfield said that it was "implicit in the pleadings" because the Charity Commission would not permit Trust to change its name to match its trade mark application because it is already the name of another charity (Limited's). On this basis, Mr Mansfield contended that Trust must have known that it could not use the mark, and therefore could have had no good faith reason to register the mark.

37. If the fact that Trust cannot, for the sake of argument, alter its registered charity name from Brain Research Trust to Brain Research UK is a pleading of bad faith on the basis of lack of intention to use, it is highly speculative and, as Mr Mansfield himself said, implicit (at best, in my view). Bad faith is a serious allegation and should be properly pleaded and substantiated if it is alleged. Pleadings should be explicit, not implicit. It is the pleadings which contain the allegations which the other

side answers (by admitting or denying them) in its counterstatement⁵ and by putting in evidence to meet. It is unfair to move the goalposts at a later stage, certainly as late as at the hearing.

38. Even if lack of intention to use had been properly pleaded, this aspect of Limited's bad faith ground fails because Ms Easton's evidence shows that, at the date of application, Trust was looking to register Brain Research UK for potential future use as opposed to a necessarily immediate change of name. There is also the evidence in the redacted letter which shows that Trust could have used the mark applied for without changing their registered charity name. Ms Easton explains that a change of name to Brain Research UK had not been accepted by the trustees as of August 2010, the month in which Trust's constitutional changes occurred, but that a change to Brain Research UK was something which it was felt would happen "a little way further down the line". In *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*, Arnold J said this about intention to use:

"Is a possible or conditional future intention to use enough?"

161. If the UK's requirement for a declaration of intention to use is compatible with the Directive, and the making by the applicant of a false declaration of intent to use can amount to bad faith, the next issue concerns the intention which the applicant must have in order to be able to declare in good faith that he intends to use the mark in relation to the goods or services specified in the application in the UK. Counsel for the Defendants submitted that a concrete present intention was required, whereas counsel for Red Bull submitted that a possible or contingent future intention was sufficient.

162. In *Knoll* Neuberger J said that "whether a contemplated use, or a possible or conditional intention to use, can suffice must depend upon the circumstances". In that case, he found that the proprietor had had a definite intention to use the mark in relation to pharmaceutical preparations for the

⁵ In *Julian Higgins' Trade Mark Application (NASA)* [2000] R.P.C. 321, The Vice Chancellor, Sir Richard Scott, said at 326:

"If the pleadings do not identify the right issues, the issues the parties propose to argue about, then it cannot be expected that with any consistency the right evidence will be adduced at the hearing. The pleadings are supposed to identify the issues to which evidence will be directed. If the pleadings do not properly identify the issues someone, sooner or later, is going to be taken by surprise."

Mr Geoffrey Hobbs Q.C., sitting as the appointed person, said in *Demon Ale Trade Mark* [2000] R.P.C. 345, at 357:

"Considerations of justice, fairness, efficiency and economy combine to make it necessary for the pleadings of the parties in Registry proceedings to provide a focussed statement of the grounds upon which they intend to maintain that the tribunal should or should not do what it has been asked to do. The statement should not be prolix. It should, however, be full in the sense indicated by Mr Simon Thorley Q.C. in *Coffeemix Trade Mark* [1998] R.P.C. 717 at 722:

"It must be full in the sense that it must outline each of the grounds...relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible, but it must be complete."

treatment of obesity and contemplated that it might use the mark in relation to other pharmaceutical products. In those circumstances he held that it was unarguable that the proprietor had acted in bad faith by making a false declaration that it intended to use the mark in relation to pharmaceutical preparations and dietetic substances. In *32Red* the Court of Appeal appears to have accepted that a possible future use of the mark in relation to the services applied for was enough to defeat an allegation of bad faith on the ground of lack of intention to use in the circumstances of that case, albeit without any detailed consideration of the law.

163. Neuberger J's statement in *Knoll* appears to me to be not only correct in principle, but also supported by the subsequent jurisprudence of the CJEU in *Lindt v Hauswirth and Internetportal v Schlicht*. I therefore conclude that a possible or contingent intention to use the mark at some future date may suffice. Whether it does suffice will depend on all the circumstances of the case, and in particular whether there are other factors present of the kind mentioned in paragraph 139 above.”

39. Trust's application falls squarely within possible or contingent intention to use. The circumstances are that it was felt that the trustees would accept the name change “a little way further down the line”. The trade mark application followed the registration of the domain name, so was part of the rights package which Trust was putting together. Registering the mark would appear prudent, in anticipation of the trustees' approval, given that trade mark proprietors have five years in which to commence use of trade marks following the completion of the registration procedure.

40. The clearly pleaded face of Limited's section 3(6) ground is the ‘relative’ aspect: Limited claims that Trust must have known of the existence of Limited's charity name, Brain Research UK, and therefore Trust's application was made in bad faith. Even if it was shown that the Trust knew of Limited's name at the time of filing, this fact alone would not necessarily mean that the application was made in bad faith, particularly in view of the short time scales involved⁶. The time line is as follows:

⁷ Even where an applicant knows of long use of the other side's name/mark/sign (which is not the case claimed here), there may be no bad faith involved. It depends on more than that single fact: see the Court of Justice in the European Union's judgment in *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032(Ch) Arnold J held:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

- 26 January 2010: Limited registered domain name
- May 2010: Trust registered domain names
- 8 November 2010: Trust discussed trade mark application with its attorney
- 9 December 2010: Limited's website went live to the public
- 5 January 2011: Limited registered as a company name
- 20 January 2011: Trust applied for trade mark
- 6 January 2011: Limited applied to the Charities Commission
- 10 February 2011: Limited's charity name registered by Charities Commission

41. Mr Mansfield submitted that the note of the meeting between Ms Easton and Mr Healey suggests, by the use of Ms Easton's word "bagsied" in relation to the domain names, that their registration was an action carried out in bad faith. Mr Mansfield considered that the advice of Mr Healey that a trade mark registration would "block someone else using in trade" was further evidence that Trust was trying to inhibit Limited's activities. There is nothing in the note that suggests that Mr Healey or Ms Easton had Limited in mind. "Block someone else using in trade" is exactly the advice one would expect a trade mark attorney to give. It is non-specific as to whom it would block. Limited's charity name was not registered with the Charities Commission when Trust applied for its trade mark. Limited had not yet applied for a trade mark. Even if Trust did have Limited in mind, it does not necessarily lead to a conclusion of bad faith, as set out above. Brain Research UK as a name and trade mark was already on Trust's agenda and, if it had spotted Limited's live website subsequent to 9 December 2010, applying to register its trade mark on 20 January 2011 was the prudent action of a business/charity trying to protect its position in anticipation of a change to its name⁷. It is not behaviour which falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. The burden is upon Limited to prove bad faith, not for Trust to prove good faith, although I consider that Trust has done so. Limited has substantiated none of the claims that it has made against Trust. **The section 3(6) ground fails.**

Section 3(1)(c)

42. There are a number of leading cases from the CJEU which set out the principles in relation to section 3(1)(c) of the Act. These can be summarised as:

- (i) Section 3(1)(c) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all: *Wm Wrigley Jr & Company v Office for Harmonisation in the Internal Market (OHIM) – CJEU Case 191/01P (Doublemint)*, paragraph 31;

⁷ See the judgment of Walton J in *Athlete's Foot Marketing Associates Inc v Cobra Sports Ltd* [1980] RPC 343: "Of course, again, it may very well have been that the defendants advanced their own use of the name when they realised, as a result of Mr. Parkin's "cautious conversation" that someone else was about to use their chosen name first. This would be ordinary commercial prudence. All this means legally is that they got their foot in the door first."

(ii) It is not necessary that such a sign be in use at the time of application in a way that is descriptive of the goods or services in question. It is sufficient that it could be used for such purposes: *Wm Wrigley Jr v OHIM*, paragraph 32;

(iii) It is not necessary for the characteristic concerned to be an important or essential characteristic of the goods/services. Provided that the sign describes a characteristic of the goods/services it is excluded from registration by section 3(1)(c): *Koninklijke KPN Nederland NV v Benelux Merkenbureau*, CJEU Case C-363/99, paragraph 102;

(iv) Trade marks must be assessed as a whole; a combination of descriptive terms may therefore be registrable provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements: Case C-242/00, *Campina Melkunie BV and Benelux-Merkenbureau*;

(v) In order to assess whether a national trade mark is devoid of distinctive character, or is descriptive of the goods or services in respect of which its registration is sought, it is necessary to take into account the perception of the relevant parties, that is to say in trade and amongst average consumers of the said goods or services, reasonably well-informed and reasonably observant and circumspect, in the territory in respect of which registration is applied for: *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04 at paragraph 24.

43. I remind myself that Limited's pleadings under this ground are that the words Brain Research UK are descriptive of a charity that raises money for brain research in the UK, or which performs brain research in the UK, or which provides information based on such research. Limited claims that anyone seeing a collecting tin, or advertisement seeking donations, bearing the words BRAIN RESEARCH UK, would immediately recognise what the money was being raised for. In his skeleton argument, Mr Mansfield submitted that, at the date of application, the Brain Research UK had already been proposed as the name of a charity in discussions with the Motor Neurone Disease Association (this appears in Trust's evidence) and that Limited had registered it as the name of its company. Therefore, according to Mr Mansfield, Brain Research UK could not "signify a singularity of trade origin" in relation to Trust, citing the Trade Mark Registry's written practice in relation to names of organisations. His skeleton argument also said:

"The witness statement of Mathew Healey of 19 December 2011 (Tab 17) in clause 4 indicated that he believed that people who donate to charities would understand that a name in the format "x Research UK" would understand it not to be purely descriptive, but as the name of a new organisation. That may well be true. But it presupposes that the organisation in question already has some right to that new name".

44. Mr Mansfield's position appears to be that Trust's trade mark cannot be acceptable under section 3(1)(c) of the Act because it belongs to someone else (Limited) and therefore does not signify the services of a single undertaking. This is a skewed view of section 3(1)(c) which, rather than resting upon facts that others are

using the words to describe their services, is founded upon the 'relative' use position. Use by other traders of a brand name is not a basis for an objection under section 3(1) of the Act⁸.

45. At the hearing, Mr Mansfield said:

"I have also pointed out that there are several other charities whose names are of the form "[Something] Research UK". Cancer Research UK is a particularly prominent one which certainly features in lots of high streets and on the news generally. Anyone who has come across any of these charities would recognise that form as representing a charity. "[Something] Research UK" indicates that this is a charity raising money for some medical research. I would say, by analogy, that anyone who saw the combination "Brain Research UK" would recognise it as being directly analogous to those others, Heart Research UK, Cancer Research UK, Kidney Research UK, etc."

Rather than the words BRAIN RESEARCH UK acting as a mere description of a charity, it seems to me that Limited is saying the opposite: that this type of combination represents a charity name. This resonates with my own experience as an average consumer of charitable fundraising services. The average consumer, who puts coins in a collecting tin on the high street, goes into charity shops and who signs a friend's sponsorship form or a donor's direct debit form, is accustomed to charities using the format '[Something] Research UK' as a sign to indicate the charity which is raising money. In other words, met in the context of charitable fundraising, the combination of medical condition or bodily organ + Research + UK functions as a trade mark because the perception of the relevant party (in trade and the average consumer of the services), being reasonably well-informed and reasonably circumspect, is that the combination indicates a single undertaking which is responsible for the charitable fundraising services it provides, for a particular medical issue. This has nothing, or little, to do with the system of registration at the Charities' Commission. The average consumer will not pause to consider that the name can only belong to one entity because the Charity Commission will only register one charity against each name. This mixes up the notion of registered charity names and trade marks or trade names. The position is analogous to that of registered company names and trade marks, which commonly differ to the point that there is no similarity at all between the registered operational name of a company and its trade marks. It may be that the trading name of a charity matches exactly its registered charity name, but a charity's trading name may be entirely different to its registered name. What matters is the perception of the average consumer as to whether the trade mark tells him to whom, as opposed to for what purpose, he is giving his money (or who is granting the money).

⁸ *Nude Brands Limited v Stella McCartney Limited and others* [2009] EWHC 2154 (Ch) Floyd J. "29. Whilst the use by other traders of the brand name NUDE in relation to perfume may give those traders relative rights to invalidate the mark, it does not give those rights to any defendant. I am not at this stage persuaded that this evidence has a bearing on any absolute ground of invalidity. It certainly does not go as far as establishing ground 7(1)(d) - customary indication in trade. Ground 7(1)(b) is concerned with the inherent character of the mark, not with what other traders have done with it. The traders in question are plainly using the mark as a brand name: so I do not see how this use can help to establish that the mark consists exclusively of signs or indications which may serve to indicate the kind or quality or other characteristics of the goods, and thus support an attack under 7(1)(c)."

46. Mr Mansfield is correct in his submissions that “brain research” is a descriptive term, and Trust does not dispute this, but I must consider the perception of the average consumer of the combination of all three elements in the mark in the context in which the mark is met. Mr Moss conceded sensibly, in his skeleton argument, that the mark “is not at the more distinctive end of the spectrum”. However, a mark with a low level of distinctive character is not excluded from registration if it does the job of indicating a single undertaking. I consider that, when encountered in the context of fundraising for charity, the combination of elements making up the mark Brain Research UK amount to more than the mere sum of their parts. This means that the mark will, first and foremost, create an impression of a UK charitable organisation raising money for brain research. Although it is marginal, I have not reached this conclusion simply because the words “in the” are missing, (brain research in the UK), but because it is a feature of the charitable services market place that the public face of charities, i.e. their trade marks, commonly take the format X + Research + UK. Such a combination is likely to be understood by consumers of such services as a combination of the intended purpose of the charitable fundraising and the geographical location of the party undertaking the fundraising. There is no reason to add the designation UK in this way simply to define the geographical scope of charitable services provided in this country. This is the reason the evidence shows the formulation X Research UK being used as trading names rather than as descriptions. As Mr Mansfield (for Limited) said, “[a]nyone who has come across any of these charities would recognise that form as representing a charity.” Indicating a charity indicates a single undertaking. Limited’s opposition therefore fails in relation to Trust’s class 36 services.

47. So far, I have dealt with the mark only in relation to Trust’s class 36 services. Both parties were completely focussed upon class 36 at the hearing (which is the only class in Limited’s application). When I asked Mr Moss about the other classes in Trust’s application, he said that he accepted that the mark was weaker in relation to classes 42 and 44 and that, if necessary, Trust would delete these classes. I agree with Mr Moss that the mark is weaker in relation to medical services (consultancy and research). The average consumers are medical professionals and research scientists. Medical research and the application of it by medical professionals is a highly specialised discipline, likely to be disseminated by international research publications such as *The Lancet* and medical symposia. Trust’s evidence shows that it considers its research services have an international standing. In medical fora and publications, where international brain research findings are collated or form the subject of oral/visual presentations, the words Brain Research UK do not create an impression which is sufficiently far removed from that produced by the simple combination of each element. In contrast to charitable services, research services are often described in combination with where studies have been carried out, e.g. “Research in the USA suggests that...”. The mark is more likely to act as a description of brain research in the UK (i.e. from a number of UK research sources) than as a single undertaking responsible for research and consultancy. There is a difference compared to the class 36 (charitable fundraising) services which, although close to the line, is for the reasons given above the ‘right’ side of it. In relation to the class 42 and 44 services, there is a public interest in keeping the combination BRAIN RESEARCH UK free for others to use to describe brain research and consultancy undertaken in the UK. These services are the wrong

side of the line for acceptance for registration. Limited's opposition succeeds in relation to Trust's class 42 and 44 services.

Section 3(3)(b)

48. I have already dealt with the first of Limited's two-limb section 3(3)(b) ground. The second limb is that, to the extent that the activities in classes 36, 42 and 44 are unrelated to brain research, the mark is misleading and so is deceptive. Having found that the opposition succeeds under section 3(1)(c) against classes 42 and 44, I only need to consider the section 3(3)(b) ground in relation to Trust's class 36 services. I remind myself that these are *charitable fund raising; financial grant-making; provision of funding for research; advisory, consultancy and information services in relation to all the aforesaid services*.

49. In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd*, cited above in paragraph 11, the CJEU made it clear that there must exist actual deceit or a sufficiently serious risk that the consumer will be deceived for this ground to bite. *Kerly's Law of Trade Marks and Trade Names*⁹ explains that section 3(3)(b)

“...refers expressly to deception caused by the nature of the mark itself. This does not mean that the mark has to be considered in a vacuum. It must be considered against the goods or services applied for and in the general context of the relevant trade.”

50. The mark will not be encountered in a vacuum; it will be encountered by the average consumer for charitable fundraising services and those who benefit from that funding. The general context of that trade is that charities are closely or exclusively aligned to the research and support of specific areas of medicine. There is no evidence of actual deceit and it is highly unlikely that Trust (or any successor) would use the mark on its class 36 services which do not relate to brain research. It would be counter-intuitive to do so. As it is highly unlikely that the mark would be used on services unrelated to brain research in the UK, there is not a sufficiently serious risk that the consumer will be deceived. There is no real (as opposed to a purely theoretical) potential for deception of the public. The section 3(3)(b) ground of opposition fails.

51. The outcome of Limited's opposition is that its opposition has succeeded against Trust's classes 42 and 44 services, but has failed against Trust's class 36 services. That being the case, Trust can rely upon its mark (in relation to the class 36 services) for its opposition under sections 5(1), 5(2)(a) and 5(2)(b) against Limited's mark.

Trust's opposition

52. Sections 5(1), 5(2)(a) and 5(2)(b) state:

“5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for

⁹ 15th Edition.

are identical with the goods or services for which the earlier trade mark is protected.

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

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

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

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

53. Although Trust has brought its opposition under sections 5(1), 5(2)(a) and 5(2)(b) of the Act, the section 5(1) and 5(2)(a) grounds are unsustainable owing to the presence in the application of the dandelion device, which means that the marks cannot be considered as identical¹⁰. The remainder of this decision will therefore address the ground of objection under section 5(2)(b) of the Act.

54. The leading authorities which guide me in relation to section 5(2)(b) are from the CJEU: *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

¹⁰ In *LTJ Diffusion SA v Sadas Vertbaudet SA* Case C-291/00 the European Court of Justice stated: “54 In those circumstances, the answer to the question referred must be that Art.5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*,

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*,

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

Comparison of services

55. Trust's services are:

Charitable fund raising; financial grant-making; provision of funding for research; advisory, consultancy and information services in relation to all the aforesaid services.

Limited's services are:

Charitable fund raising; financial grant-making; provision of funding for research; advisory, consultancy and information services in relation to all the aforesaid services.

The parties' services are clearly identical.

Average consumer

56. The average consumer is reasonably well informed and reasonably circumspect and observant, but his/her level of attention is likely to vary according to the category of goods or services. The general public is the average consumer of charitable fundraising in relation to being beneficiaries of the funds and/or making donations. Research foundations are also average consumers because the charity funds the research work they undertake. This latter group of consumers are likely to be highly attentive with regard to access to research funding. The general public will also pay a reasonable amount of attention to its use of the services, although this will vary according to the context in which it meets the services; for example, less attention will be paid to a high street collection tin than filling in a direct debit donation form because one has made a considered decision to provide regular donations to a given charity. Overall, the public will pay at least an average level of attention and research foundations an above average level of attention to the services.

57. Comparison of marks

The authorities direct that, in making a comparison between the marks, I must have regard to each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

58. The respective marks are:

Trust's mark	Limited's series of marks
BRAIN RESEARCH UK	

59. Nothing turns upon the colour aspect of the first mark in Limited's series because the words, being the point of similarity with Trust's mark, are not in a particular colour (neither are Trust's words).

60. Consistent with my finding above that the word combination amounts to more than the mere sum of its parts, I find that the word elements in each of the marks will be perceived as an indivisible expression, each word contributing to the whole. In Trust's mark, the word element constitutes the dominant and distinctive component of the mark. In Limited's mark, the distinctive dandelion device is larger than the words, but the words are visually prominent. Neither component is overly dominant compared to the other, although the device is the more distinctive of the two components.

61. The device makes an undeniable visual impact which means that, although the word elements in each mark are identical, the level of visual similarity is no more than average. However, in the aural comparison, the device element plays no part. Since the word elements are identical, the marks are aurally identical. The identical word elements mean that the concepts of the marks are highly similar, not forgetting that there is also a device of a dandelion clock blowing in the wind. Taking into account the varying types of similarity, the parties' marks have a good degree of similarity overall.

Distinctive character of the earlier mark

62. It is necessary to consider the distinctive character of Trust's mark because the more distinctive it is, either by inherent nature or by use (nurture) the greater the likelihood of confusion¹¹. The distinctive character of a trade mark must be assessed by reference to the goods or services in respect of which registration is sought and by reference to the way it is perceived by the relevant public¹². Trust has not filed evidence of use of its mark, so I have only the inherent position to consider.

63. In my analysis of Limited's section 3(1)(c) ground of opposition against Trust's class 36 services, I indicated that the level of distinctiveness of Trust's mark was low, albeit not so low as to exclude it from registration under that ground. Mr Moss also conceded that the mark "is not at the more distinctive end of the spectrum". It follows that my assessment of the earlier mark's inherent distinctive character, (or at least the relevant part of it) for the purposes of Trust's section 5(2)(b) ground, is that it is low.

Likelihood of confusion

64. In deciding whether there is a likelihood of confusion between the marks, I must weigh the various factors I have identified. This includes keeping in mind the whole mark comparison and the principle of interdependency whereby a lesser degree of similarity between the services may be offset by a greater degree of similarity

¹¹ *Sabel BV v Puma AG* [1998] RPC 199.

¹² *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

between the trade marks, and vice versa, as a factor in the global appreciation of the likelihood of confusion¹³. In this regard, the services are identical.

65. One of the factors to consider in the global appreciation is the weight which I should attach to the type of purchasing process. The relevance of this point is that sometimes the characteristics of the purchasing process for some goods and services are more aural than visual. In *New Look Ltd v OHIM* Joined cases T-117/03 to T-119/03 and T-171/03, the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

66. Although charities operate by visual means (e.g. flyers in magazines, direct mailing and pop-up advertisements online), there is also a significant aural aspect to the average consumer’s contact with charities, for example, by telephone requests for donations and doorstep cold-calling, where the charity worker introduces both their own name and the name of the charity orally. This is important in the current proceedings because the highest point of similarity between the marks is on an aural level. The effect of these considerations is that the aural identity between the marks carries more weight than would otherwise be the case in relation to many goods and services, such as clothing and retailing, where the visual aspect to the consumer’s contact with the mark is predominant. It does not outweigh the visual and conceptual similarities, but must be factored in as part of the global assessment¹⁴. The aural weight is also important because there are no other elements by which the marks will be referenced verbally.

¹³ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

¹⁴ CJEU, Case C-206/04 P *Mülhens GmbH & Co KG v OHIM*: “21 It is conceivable that the marks’ phonetic similarity alone could create a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 (see, in respect of Directive 89/104, *Lloyd Schuhfabrik Meyer*, paragraph 28). However, it must be noted that the existence of such a likelihood must be established as part of a global assessment as regards the conceptual, visual and aural similarities between the signs at issue. In that regard, the assessment of any aural similarity is but one of the relevant factors for the purpose of that global assessment.”

²² Therefore, one cannot deduce from paragraph 28 of the judgment in *Lloyd Schuhfabrik Meyer* that there is necessarily a likelihood of confusion each time that mere phonetic similarity between two signs is established.”

66. Assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark,¹⁵ but the overall impression conveyed to the relevant public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. A further factor to consider is that the converging component between the marks is low in distinctive character. In *L'Oréal SA v OHIM* Case C-235/05 P, the CJEU stated:

“43 It must therefore be held that the applicant has misconstrued the concepts which govern the determination of whether a likelihood of confusion between two marks exists, by failing to distinguish between the notion of the distinctive character of the earlier mark, which determines the protection afforded to that mark, and the notion of the distinctive character which an element of a complex mark possesses, which is concerned with its ability to dominate the overall impression created by the mark.

45 The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

67. I think it unlikely that the marks would be directly confused with one another because of the dandelion device. However, although the marks may not be mistaken for one another directly, I have to consider whether the common element between them, although low in distinctive character, nevertheless will give rise to a belief or an expectation upon the part of the average consumer that the services emanate from a single or related undertakings because the point of similarity will lead to association. As stated in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, if the association between marks causes the public wrongly to believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion. This is often called ‘indirect confusion’, but it is, nevertheless, confusion within the meaning of section 5(2)(b) of the Act. Mr Iain Purvis QC, sitting as the appointed person in *L.A. Sugar Trade Mark* BL O/375/10¹⁶ explained indirect confusion in the following terms:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are

¹⁵ *Shaker di Laudato & C. Sas v OHIM*.

¹⁶ All BL-prefixed decisions are available for viewing on the Intellectual Property Office's website.

very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*.

68. The italicised part of Mr Purvis’ explanation neatly describes the problem for Limited: its mark is different to the Trust’s mark but it has the identical element in common with it. That element is the sole element of Trust’s mark and, far from being negligible in Limited’s mark, it has impact in the overall impression of that mark. It is the element which is aurally identical, and it gives rise to an average level of visual similarity and close conceptual similarity. I have said above that the aural identity is a significant factor in the assessment as to whether there is a likelihood of confusion. The services are also identical. Even allowing for a high level of attention on the part of the average consumer, there is in my view a distinct likelihood that the average consumer will consider that the parties’ services come from the same or economically linked undertakings. **Trust’s opposition succeeds.**

Outcome

69. (i) Limited’s opposition succeeds against Trust’s classes 42 and 44 services, but fails against Trust’s class 36 services. Trust’s application will proceed to registration for the class 36 services but is refused for the class 42 and 44 services.

(ii) Trust’s opposition succeeds. Limited’s application is refused.

Costs

70. Limited has been successful in getting approximately two-thirds of Trust's application refused. Trust has been successful in getting Limited's single-class application refused and resisting Limited's opposition to one of its three classes. The outcome represents a roughly equal measure of success for both parties. I have considered whether an award should be made to Trust for the misconceived section 3(3)(b) ground and the consequent evidence it filed. However, I have decided not to make such an award because Trust could have resisted the ground without filing the amount of evidence it did. Finally, although there was some last-minute procedural skirmishing, it was not on such a scale to alter my view that this is a score draw. Accordingly, each party should bear its own costs.

Dated this 17 day of September 2012

**Judi Pike
For the Registrar,
the Comptroller-General**