

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2109079 BY  
JEAN-PHILIPPE ILIESCO DE GRIMALDI TO REGISTER A MARK  
IN CLASS 9**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 48223  
BY SPACE**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 2109079 by  
Jean-Philippe Ilesco De Grimaldi to register a mark in Class 9**

**and**

**IN THE MATTER OF Opposition thereto under No. 48223  
by Space**

**DECISION**

On 4 September 1996 Jean-Philippe Ilesco de Grimaldi applied to register the following mark for "musical sound carriers being records, cassettes and compact disks".



The application is numbered 2109079.

On 19 February 1998 Space filed notice of opposition to this application. The opponents say they are the proprietors of and have used the following registrations:

No.	Mark	Class	Journal	Specification
2101790A		09	6205 page 14164	Audio recordings, visual recordings; optical and magnetic data carriers; discs, tapes, films and cassettes; pre-recorded compact discs, audio tapes, audio cassettes, phonographic records, films, video tapes and video cassettes; all of the aforesaid goods featuring

audio and/or visual  
musical recordings; but  
not including any such  
goods relating to space.

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Live musical  
performances; music  
publishing; production of  
records, sound recordings  
and videos.

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2101790B SPACE

09

6205  
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Audio recordings, visual  
recordings; optical and  
magnetic data carriers;  
discs, tapes, films and  
cassettes; pre-recorded  
compact discs, audio  
tapes, audio cassettes,  
phonographic records,  
films, video tapes and  
video cassettes; all of the  
aforesaid goods featuring  
audio and/or visual  
musical recordings; but  
not including any such  
goods relating to space.

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Live musical  
performances; music  
publishing; production of  
records, sound recordings  
and videos.

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Objection is said to arise under Section 5(1) or, in the alternative, 5(2) and Section 5(4)(a).

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Furthermore it is said that registration would be contrary to Section 3(1) if applied to musical sound carriers relating to space.

Finally the opponents refer to the fact that the application proceeded to publication under Section 7 of the Act by reason of honest concurrent use and say they rely upon Section 7(2). Accordingly it is said that as they are the proprietors of earlier trade marks and object to registration refusal is mandatory.

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The applicant filed a counterstatement which amounts to a denial of the above grounds. A number of observations are also offered in relation to the opponents and their choice and use of their name. In the absence of a formal challenge to the opponents' registrations I can take no account of these observations.

Both sides ask for an award of costs in their favour.

Both sides filed evidence. The matter came to be heard on 21 November 2000 when the opponents were represented by Mr A Speck of Counsel instructed by Potts, Kerr & Co. The applicant was not represented.

### **Opponents' evidence**

The opponents filed a statutory declaration by Mark Cowley who trades as Hug Management. He is the manager of the British musical group SPACE. He says that Gut Records Ltd are the recording company for the group and have an exclusive license to use the mark SPACE on the group's recordings. He exhibits

MC1 - details of the group's public performances

MC2 - details of record sales

MC3 - a letter from the graphics company that produced the opponents' logo which confirms they had no knowledge of the French band with which the applicant is connected

MC4 - details of the opponents' UK trade mark registrations. (I have referred above to the only two that are 'earlier trade marks')

MC5 - press cuttings relating to the UK group.

The remainder of the declaration offers a commentary on the likely audiences for the respective groups and observations on the issue of confusion.

A supporting statutory declaration has been filed by Thomas Scott who was co-founder of the group SPACE. His declaration does not add greatly to Mr Cowley's evidence save that he says he thought of the name in March 1989. He was unaware of any other group of that name. He says he has not seen any music recordings of a French band SPACE for sale in the UK nor has he seen any advertisements for any such recordings.

### **Applicant's evidence**

Jean Philippe Ilesco de Grimaldi, the applicant, filed a statutory declaration in which he makes a number of observations on Mr Cowley's evidence. He notes that the opponents reputation appears to be a local one; that the sales figures are low (by reference to Exhibit MC2); and that it is not clear when the opponents' device was designed. He suggests that the respective recordings appeal to different demographic audiences and embody different musical styles.

Mr de Grimaldi also adopts into these proceedings a copy of his declaration filed at the examination stage in support of a claim to honest concurrent use. The mark applied for is said to have been used in relation to musical recordings (records, compact discs). The substance of what Mr de Grimaldi has to say is:

"6. The approximate turnover figures for the five (5) years prior to the date of application (04/09/96) are in the region of £20,000 per year.

(N.B. The turnover figures above are calculated on retail prices)

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7. The mark has been used upon the goods or services in United Kingdom towns and cities as follows: [none specified]

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'Space' records have been - for the last twenty (20) years - and continue to be available at all major record stores throughout the United Kingdom and also in France, Germany, the United States and other world territories.

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8. The following approximate sums have been spent in promoting the mark in the five (5) years prior to application:-

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1991-2	£3,000
1992-3	£3,000
1993-4	£7,500
1994-5	£7,000
1995-6	£3,000

by means of the following advertising media:

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Music industry press.  
Promotions in record stores.  
Other general / national advertising media.

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9. I have used the mark continuously since 1977 to date and have thereby built up a considerable amount of goodwill in the same as can be seen from the above information as well as numerous references by other people to the mark and the reputation of the recording artists professionally known as "Space" in - inter alia - the music industry press and general press. In particular, the band and their release continue to have an entry in the "Guinness Book of Hits of the 70's" with regard to the amount of time (i.e. twelve (12) weeks) a 'Space' release remained at No 2 in the national charts (without ever reaching the No 1 position) (please see exhibit JP3 enclosed herewith). Accordingly, in my opinion, the record industry as well as the general record buying public are well aware of the distinctiveness and quality associated with the 'Space' logo."

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40 The following exhibits have been supplied in support of the above:

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JP1	-	a long play record released in 1981
JP2	-	a compact disc released in 1994
JP3	-	a copy of the entry relating to SPACE in the Guinness Book of Hits of the 70s.

## Opponents' evidence in reply

5 The opponents filed two statutory declarations by way of reply evidence. The first is from David Cedric Franklyn Gilmour, a partner in Potts Kerr, the opponents' trade mark attorneys and the second by Mr M Cowley who gave evidence in chief.

10 Mr Gilmour describes enquiries he made to check the availability of any recordings by the French group SPACE. W H Smiths in Birkenhead did not have any but he was given the name of the music publisher, an organisation called Tring. Subsequent attempts to contact Tring failed. Information is supplied to show that a company called Tring International Group PLC is in liquidation and has ceased trading.

15 Mr Cowley supplies further information to support the claim that the British group SPACE had a national reputation prior to September 1996. In particular he provides information on chart positions and 'weeks in chart' for what I take to be singles releases. He adds that for the period January 1996 to 31 August 1996 sales of SPACE singles amounted to 181,281 units providing an ex factory/wholesale turnover of approximately £416,946. He says he was unable to obtain a copy of the single 'Magic Fly' which appears to have been the applicant's best known recording.

20 That completes my review of the evidence.

Sections 5(1) and 5(2) of the Act read:

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

30 (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

35 (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."

40 Section 7 also has a part to play in these proceedings. The most relevant sub-sections read:

"7. - (1) This section applies where on an application for the registration of a trade mark it appears to the registrar -

45 (a) that there is an earlier trade mark in relation to which the conditions set out in Section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in Section 5(4) is satisfied,

but the applicant shows to the satisfaction of the Registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right."

I have provided at Annex A a copy of the Notice placed in the Trade Marks Journal setting out the practice the Registry intends to adopt in relation to the operation of the above provisions following the ROADRUNNER case, 1996 FSR 805 (accepting, of course, that a Notice in the Journal is merely for guidance and is subject to challenge).

It will be apparent from paragraph 5(a) of the Notice that the Registry accepts that where identical marks and identical goods are involved refusal will be mandatory where objection is raised in opposition proceedings unless the applicant can amend his specification in such a way that identical goods are no longer involved. Does Section 5(1) apply here?

Although slightly different terminology is used to describe the respective goods both parties are groups/artists whose primary interest is in CDs, tapes, records etc. I do not think there can be any doubt but that identical goods are involved. The applicants have not suggested how it would be possible to amend their specification so as to avoid this problem.

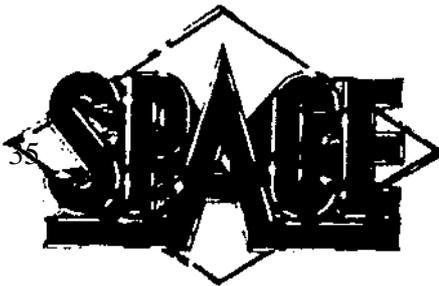
The Section 5(1) position turns on the question of whether the marks are identical. For ease of reference I set them out as follows:

**Applicant's mark**  
(2109079)

**Opponents' marks**  
(2101790A)

(2101790B)

SPACE



The opponents rely particularly on the B registration, that is the word SPACE in plain block capitals. Mr Speck submitted that registration of a word in plain block capitals covers any use of it and that use of the word incorporated in a logo is use of that word as an identical mark. He put it to me that if that were not the case there would never be infringement under Section 10(1) (Section 10 being expressed in similar terms to Section 5). In support of this he referred me to British Sugar Plc v James Robertson & Sons Ltd, 1996 RPC 281 (the TREAT case) where Jacob J held that, if he was wrong on the matter of the classification of the goods, the use was within Section 10(1). That is to say he accepted that identical marks were

involved notwithstanding that the defendants also used their Robertsons housemark and 'Toffee Treat' on labels. On that basis it is said I should accept that the applied for mark is identical to No 2101790B.

5 I do not accept Mr Speck's analysis. The TREAT case was an infringement action and Jacob J, therefore, had examples of the defendants' use before him. His view, taken in context, was expressed as follows:-

10 "I think the rule is the same under the 1994 Act because it follows from the language of Section 10 which merely requires the court to look to see what sign the defendant is using and says nothing about anything else. Strictly in Origins I should have said under the 1994 Act that the comparison is "mark for sign" rather than "mark for mark" because Section 10 uses sign for what the defendant is using. Assuming I was right (and the defendants reserve this point should the matter go on appeal) one still has to identify the defendant's sign for the purposes of the comparison. In most cases there can be no difficulty. It is either there or not. However it is possible for the sign to be hidden or swamped. No-one but a crossword fanatic, for instance, would say that "treat" is present in "theatre atmosphere". There is no question of this sort here, however. "Treat" is there on the Robertson products for all to see. Whether it is used as a trade mark is quite another matter. I think, if I am wrong on classification, that the use is within Section 10(1)."

It appears, therefore, that Jacob J was taking a view of the matter based on the applicant's use of TREAT discounting added matter or circumstances. On that basis identical marks were involved. In a slightly earlier passage on page 293 (line 23 et seq) the judge refers to Origins Natural Resources Inc v Origin Clothing Ltd, 1995 FSR 280 which he says, "was under Section 10(2) because the marks were slightly different". I note that the marks at issue in that case were ORIGINS (the plaintiff's mark) and ORIGIN (the defendants' mark). The sole difference was the plural form of the plaintiffs' mark but that was considered to be sufficient for a finding that they were not identical.

35 The 1994 Act deals at various points with issues to do with marks themselves and employs various forms of wording to convey the intended meaning. The relative grounds provision of Section 5(2) refers to similarity with an earlier trade mark. The series provisions of Section 41(2) lays down the qualifying requirement that the marks must "resemble each other as to their material particular particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark". The revocation provisions of Section 46 provide in sub-section (2) for a defence based on use of a mark "in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered". Section 5(1) uses none of these formulations. It lays down the requirement that the marks must be identical (accepting for present purpose that variations of typeface, case etc have long been accepted as incidental - see Bravado Merchandising Ltd v Mainstream Publishing Ltd, 1996 FSR 205).

45 The applicant's mark here is a composite one. I have no doubt whatsoever that the element SPACE is its central feature and the element by which it will be known but it is more than the plain word SPACE. The presentation of the letter and particularly the extensions to the feet of

the letter creating underlining of the other letters, along with the background diamond device cannot simply be ignored. They combine to create a totality that is more than the plain word SPACE. I have, therefore, come to the clear view that the respective marks are not identical and that the ground based on Section 5(1) must fail.

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In approaching the Section 5(2) ground I take into account the guidance provided by the European Court of Justice in *Sabel BV v Puma AG* (1998 RPC 199 at 224), *Canon v MGM* (1999 RPC 117) and *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BC* (1999 ETMR 690 at 698).

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I have already found that the goods are identical. Although I have held that the parties' respective marks are not identical I do not consider that I need to undertake further detailed analysis in order to reach the view that they are very closely similar. I also consider that the opponents' marks are likely to have some 'added' degree of distinctive character arising from use though I would not place too much weight on this point as a step change in the British group's fortunes (in terms of performances and record sales) appears to have taken place in 1996 (the material date is 4 September of that year).

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This brings me to the question of the applicant's use and the relevance (or otherwise) thereof to the issue of likelihood of confusion. In fact the opponents' starting point is that these questions do not even need to be addressed as the applicant has not expressly relied on honest concurrent use. They go so far as to say that in his counterstatement Mr de Grimaldi admits he cannot rely on it. I do not propose to dwell on this point which seems to me to arise from a certain laxness in the drafting of the counterstatement rather than any intention not to have the claimed concurrent use taken into account. The fact of the matter is that the application proceeded to publication on the basis of honest concurrent use; the same evidence of use has been filed in the opposition proceedings; and the case has proceeded on the basis that this evidence needs to be addressed.

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Mr Speck's submission was that contrary to the position adopted by the Registry in the Journal Notice at Annex A Section 7 does not deal with Section 5(1) and Section 5(2) differently. In his view refusal under Section 5(2) was still mandatory in the light of the opponents' objections. He relied on the *ROADRUNNER* case. The matter has been considered in a recent Registry decision (*C.D.S Computer Design Systems Ltd v Coda Ltd*, 0-372-00 dated 6 October 2000). For ease of reference a copy of the relevant extract from this decision is at Annex B. The Hearing Officer concluded that, whilst the fact of honest concurrent use was not a defence which in itself will save an application, it is something that must be taken into account in determining whether there is a likelihood of confusion.

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40 In the *Sabel v Puma* case the ECJ held as follows:

"As pointed out in paragraph 18 of this judgment, Article 4(1)(b) of the Directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion "depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the

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trade mark and the sign and between the goods or services identified". *The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.*" (my emphasis)

5 Prior to publication of an application an examiner's view of potential conflict is of necessity based on a notional consideration of the marks and goods. The fact of honest concurrent use may at that stage be sufficient to persuade the examiner that contrary to his preliminary view of the matter there is no likelihood of confusion. When matters move on to opposition proceedings different facts and circumstances may become apparent and influence the Hearing  
10 Officer's view of the matter. One such factor is, of course, the degree of distinctiveness acquired by an opponents' earlier trade mark through use (see above and *Sabel v Puma* at page 224 lines 18 to 23). But an applicants' own use may also be relevant to a global appreciation of the likelihood of confusion. What weight (if any) it will have will depend on the facts and circumstances of the particular case. I, therefore, go on to consider the applicant's position in  
15 this respect.

I have recorded in the evidence summary the key passages from Mr de Grimaldi's declaration where he gives details of the use that has been made of the mark. The evidence primarily  
20 relied on is the material filed at the examination stage. What may not be immediately apparent is that the evidence appears to be based on a pro forma questionnaire. Hence the somewhat unusual answer in paragraph 7 and paragraph 2 of the declaration (not recorded above) saying simply 'not applicable'. That in itself may not matter greatly but it has resulted in a less than clear and comprehensive picture of the applicant's business. My views on the evidence can be summarised as follows:

- 25
- S** the sales figures are not clearly said to be UK sales though I infer that this was intended. The figures are approximations without explanation of the basis for the claim
  
  - 30 **S** the above criticism might have less weight if a substantial trade was involved but the turnover figures (£20,000 per annum) are by any standard extremely modest. Furthermore as the sum has been calculated on retail prices it does not suggest a large number of unit sales of CDs, tapes etc
  
  - 35 **S** small sums only have been spent on promotional activity
  
  - S** only three exhibits have been supplied and no invoices. Exhibit JP1 is an LP record, the sleeve and dust cover of which have both English and French text. The record is said to have been released in 1981. It is not therefore evidence of  
40 recent use. JP2 is a CD said to have been released in 1994. JP3 is an extract from *The Guinness Book of Hits of the 70s* which does little to support the claim to sales activity at the relevant time.

In short it may be that some sales have taken place but they are at a low level and poorly  
45 substantiated in the evidence. Mr Speck was right to criticise it. On that basis alone I would hold that applicant's evidence carries little weight. But where as here the goods are identical and the marks very closely similar there is likely to be a considerable burden on an applicant to

5 establish that his honest concurrent use should be a significant factor in determining the  
likelihood of confusion. I bear in mind also that there is no obvious or identifiable  
differentiation in the channels of trade. There is significant potential for the parties' goods to  
come into conflict at retail establishments. I accept that the applicant believes the respective  
10 groups/artists appeal to different audiences but that does not avoid the risk of confusion  
arising from someone picking up or asking for a SPACE tape, CD etc. I have, therefore,  
come to the view that making what little allowance I feel able for the applicant's use there is a  
real likelihood of confusion. The opposition succeeds under Section 5(2)(b). In the  
circumstances of this case I do not find it necessary to consider the Section 5(4)(a) ground.

15 Finally there is the objection that registration would be contrary to Section 3(1) if applied to  
musical sound carriers relating to space. The opponents have not specified a sub-paragraph  
but I take it to be (b). They point out that their own Class 9 specifications have been limited  
so as to exclude 'goods relating to space'. I note that their specifications are cast in somewhat  
broader terms than the applicant's and cover visual recordings, video tapes etc. Quite  
20 conceivably such items could contain or feature images of (outer) space. Mr Speck suggested  
that in the context of the applicant's goods the mark could be descriptive of music used in  
space movies or TV programmes or perhaps talking books about space. I think this is pushing  
the objection too far. The goods are musical sound carriers. To the best of my knowledge  
there is no such thing as 'space' music. It might well be possible to have a themed collection of  
25 music from films or programmes about space but that is a different matter and is likely to be  
referred to in somewhat fuller terms. In any case even if I am wrong on this point a simple  
exclusion along the lines of that contained in the opponents' specifications would overcome  
any objection on descriptiveness grounds.

30 The opposition has succeeded. The opponents are entitled to a contribution towards their  
costs. I order the applicant to pay them the sum of £835. This sum is to be paid within seven  
days of the expiry of the appeal period or within seven days of the final determination of this  
case if any appeal against this decision is unsuccessful.

Dated this 8 day of December 2000

35  
M REYNOLDS  
For the Registrar  
the Comptroller General

## HONEST CONCURRENT USE

1. In the ROAD RUNNER trade mark case Mr Justice Walker suggested that refusal of an application under Section 7(2) of the Act is mandatory, if the proprietor of an earlier trade mark raises objection on those grounds in opposition proceedings. This would appear to go too far bearing in mind the wording of Sections 5(1) and 5(2) and the contents of Lord Strathclyde's speech in the House of Lords on 14 March, 1994. He said:

"The amendment before the House provides a procedural mechanism whereby the burden of raising objections on relative grounds falls to the owners of the earlier mark rather than on the Registrar. It will mean that, where the Registrar raises an objection based on an earlier mark, he will not maintain the objection if the applicant is able to satisfy him that his mark has been the subject of honest concurrent use. Instead, he will accept the application, and advertise it.

So far, that is the same as the position under the existing law. Under the new law, however, if there is opposition from the owner of the earlier mark, the Registrar will have to decide whether the grounds for refusal are made out. If they are based on subsection (1) Clause 5—that is, the marks are identical, and so are the goods or services concerned—then the application will have to be refused. The fact of honest concurrent use will not be sufficient to defeat the opposition. If, however, the opposition is based on subsection (2) of Clause 5, it is necessary to show a likelihood of confusion on the part of the public. In such a case the fact that the two marks have been concurrently used may well make it more difficult to establish that such a likelihood exists. Likewise, if the ground of opposition is that the later mark would take undue advantage of the earlier mark's reputation, the fact that the two have co-existed in the market place may have a bearing on the outcome."

### SECTION 5(1) reads:

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

## SECTION 5(2) reads

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.

2. In the ROADRUNNER case the later trade mark was virtually identical with the earlier mark (the same word written in script but not stylised in any way) and the specification of goods of the later mark fell within the specification of the registered mark. It was therefore beyond argument that the later trade mark would be debarred from registration by Section 5 of the Act unless it had sufficient user to justify acceptance on the basis of honest concurrent use.

3. It is well established that, in his capacity as a tribunal considering a contested opposition between two parties, the Registrar must consider the matter afresh and should not be bound by decisions taken during *ex parte* examination of the application.

4. In relation to Section 7 it is clear that any refusal on the basis of conflict with an earlier right should be on the basis of Section 5. There is no provision in the Directive for refusal under Section 7(2) since Honest Concurrent Use is not covered by the Directive.

5. Therefore, where the owner of an earlier trade mark opposes an application that has proceeded on the basis of honest concurrent use, the Registrar's practice will be as follows:

(a) Where the later application is for an identical mark and covers the same goods/services the Registrar will consider whether mandatory refusal under Section 5(1) is appropriate and is likely to so decide, unless the applicant can amend his application (eg reduce his specification) so as to avoid the application of Section 5(1). In particular cases it may be that an interlocutory hearing will be necessary.

(b) Where the later application is for an identical mark and the goods are similar or where the marks are similar and the goods are identical or where both the marks and goods are only similar (as specified at 5(2)): the matter of whether the application offends Section 5(2) will be determined through the normal opposition procedures as set down in the 1994 Act and Rules.

6. Section 39(1) of the Act states that the applicant may at any time restrict the goods or services covered by the application. Accordingly, if the respective marks and goods/services are identical the applicant will be allowed to restrict his specification in order to avoid a mandatory refusal under Section 5(1) of the Act.

7. If an opposition is successful then an opponent will be entitled to his costs in the normal way.

First of all I note that this provision of the Act does not derive from Council Directive No 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks. It is thus a piece of home spun legislation which can only be interpreted as complementing rather than conflicting with the Directive. I say that because Article 5 of the Directive (the equivalent of Section 5 of the Trade Marks Act) requires a trade mark to be excluded from the register if it conflicts with an earlier trade mark or other earlier right. However, the fifth recital to the Directive gives Member States latitude as to the stage at which such relative grounds are to be taken into consideration. The fifth recital states:

Whereas Member States also remain free to fix the provisions of procedure concerning the registration, the revocation and invalidity of trade marks acquired by registration; whereas they can, for example, determine the form of trade mark registration and invalidity procedures, decide whether earlier rights should be invoked either in the registration procedure or in the invalidity procedure or both and, if they allow earlier rights to be invoked in the registration procedure, have an opposition procedure or an *ex officio* examination procedure or both; whereas Member States remain free to determine the effects of revocation or invalidity of trade marks;

In relation to all applications for registration under the Act, the Trade Marks Registry must examine them against the provisions of Sections 3 and 5 and undertake a search under the provisions of Section 37 for that purpose. If, and when, as a result of the search an earlier trade mark or earlier right is identified which is considered to be the same or similar in respect of both the trade mark and the specification of goods and services, then the Trade Marks Registry must raise an objection to the application for registration. However, if the applicant is able to show, to the satisfaction of the Trade Marks Registry, that there has been honest concurrent use of the trade mark the subject of the application with the earlier mark, under the provisions of Section 7, and with due regard to the fifth recital, the application may be accepted and published. Where the concurrent use has not been in respect of all of the goods or services for which the application is sought to be registered, the acceptance will be for those goods where there has been honest concurrent use. If there is no opposition to the application for registration either from the owner of the earlier right against which the applicant for registration claims honest concurrent use or any third party, then the application will in due course be registered. However, if opposition is filed then the registrar must determine whether the grounds for refusal upon which the opposition is based are made out. If the opposition is based upon Section 5 then the provisions of the appropriate subsections must be considered. The fact that honest concurrent use has been shown at the examination stage cannot overcome the objection.

If, for example, the trade mark the subject of the application for registration and the trade mark the subject of the earlier right were identical, and the specification of goods or services of the application was identical to the specification of the goods or services covered by the earlier trade mark, then refusal must follow under Section 5(1), which bars absolutely the registration of identical trade marks in respect of identical goods or services (unless the proprietor of the earlier trade mark consents to the registration of the later trade mark). But in relation to Section 5(2) the respective trade marks or respective specifications of goods or services may only be similar and the fact that there has been actual use of the trade mark in suit concurrently with the earlier trade mark, may be relevant in determining whether there is a likelihood of confusion.

In the circumstances and for the reasons above I reject Mr Hacon's submission that because the proprietor of the earlier trade mark against which the applicant for registration has claimed honest concurrent use has opposed the application, the provisions of section 7(2) make the refusal mandatory. However, as I have already said, the mere fact that there has been honest concurrent use is not a defence, which in itself will save an application, but it is one of the "relevant" factors which should be taken into account in determining whether there is a likelihood of confusion.