

O-511-14

TRADE MARKS ACT 1994

**IN THE CONSOLIDATED MATTERS OF
TRADE MARK REGISTRATION No. 2575691
STANDING IN THE NAME OF
AGILITISE LIMITED**

AND

**A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.500015
BY PREMIER EVENTS AND LEISURE COMPANY LIMITED**

AND

**IN THE MATTER OF APPLICATION Nos. 2640199 & 3008660
BY PREMIER EVENTS AND LEISURE COMPANY LIMITED
TO REGISTER A DEVICE MARK AND
A SERIES OF TWO WORD AND DEVICE MARKS
BOTH IN CLASSES 35, 41 & 43**

AND

**IN THE MATTER OF OPPOSITIONS
THERETO UNDER Nos. 400221 AND 400934 BY
AGILITISE LIMITED**

BACKGROUND

1) The following trade mark is registered in the name of Agilitise Ltd (hereinafter AL):

Mark	Number	Date of filing & registration	Class	Specification
 A series of two	2575691	17.03.11 24.06.11	35	Business consultancy and management services; business advisory services; business administration; electronic data storage; provision of business information.
			41	Provision of business related training and presentations.

2) By an application dated 15 April 2013 Premier Events and Leisure Company Limited (hereinafter PEL) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) PEL has been using the mark shown below since 2001 in respect of the business of team building (personnel management); business management; organisation of Annual General Meetings; providing of training; team building (education); providing and organising team games for personnel training and entertainment; arranging and conducting of workshops; interactive entertainment services; organising corporate events; corporate hospitality; arranging hotel venues and catering for business and corporate events in the UK. As a result PEL has built up a substantial reputation in the sign shown below and use of the mark in suit with regard to identical or similar services offends against Section 5(4)(a) of the Act.



3) AL provided a counterstatement, dated 26 June 2013, in which it denies the above ground and puts PEL to strict proof of use of its claimed reputation. AL also states that no misrepresentation has occurred although it does not state that its mark has been used.

4) On 30 October 2012 (no. 2640199) and 5 June 2013 (no. 3008660) respectively PEL applied to register the following trade marks:

Mark	Number	Class	Specification
	2640199	35	Team building (personnel management); business management; organisation of Annual General Meetings.
		41	Providing of training; team building (education); providing and organising team games for personnel training and entertainment; arranging and conducting of workshops; interactive entertainment services;

			organising corporate events; corporate hospitality.
		43	Arranging hotel venues and catering for business and corporate events.
  A series of two marks	3008660	35	Team building (personnel management); business management; organisation of Annual General Meetings.
		41	Providing of training; team building (education); providing and organising team games for personnel training and entertainment; arranging and conducting of workshops; interactive entertainment services; organising corporate events; corporate hospitality.
		43	Arranging hotel venues and catering for business and corporate events.

5) The applications were examined and accepted, and subsequently published for opposition purposes on 8 February 2013 and 28 June 2013 in Trade Marks Journal No.6978 and 2013/026 respectively.

6) On 8 May 2013 (no. 2640199) and 26 September 2013 (no. 3008660) AL filed notices of opposition. The grounds of opposition are in summary:

- a) AL is the proprietor of the trade mark at paragraph 1 above. It states that the marks and services of the two parties are identical and /or similar such that the marks in suit offend against sections 5(2)(b) and 5(4)(a).

7) On 10 July 2013 and 26 November 2013 PEL filed counterstatements which state that the grounds of opposition are reliant upon an invalid registration. It puts AL to proof of goodwill and reputation in its mark.

8) On 7 August 2013 (no. 400221) and 18 December 2013 (no. 400936) respectively the cases were consolidated.

9) Both sides filed evidence; and both sides request costs. The matter came to be heard on 1 October 2014 when AL was represented by Mr Wood of Messrs Swindell & Pearson Ltd; PEL was represented by Mr St Quinton of Counsel instructed by Messrs Alastair Hindle Associates Ltd.

EVIDENCE OF PEL

10) PEL filed three witness statements, dated 1 October 2013, 27 November 2013 and 24 January 2014, by Gerard Crowley a Director of PEL a position he has held since April 2001. He states that his comments are from his own knowledge and the records of his company. He states that the words “Team Challenge Company” (the name) have been used underneath the device mark since the start of the business. At the time of its inception the name Team Challenge Company was not available as a company name but he states that as it is now available the company is in the process of changing its name. He states, and the exhibits corroborate this contention, that the company has provided the services of team building, organisation of meetings and presentations, providing of

training, arranging and conducting workshops, organisation of company events and entertainment since 2001 under the device and name. This mark has been used on brochures, letterheads, invoices and materials provided for events as well as on the internet. He states that the services are usually booked online or by telephone as a result of advertising. PEL then visit the location selected by the client to deliver the event which sometimes involves PEL contacting hotels and other venues as necessary. During its lifetime the company has operated from a number of postal addresses simultaneously and this is reflected in the addresses on brochures etc. He provides the following sales figures:

Year	Sales £	Advertising £
2005-06	449,093	13,956
2006-07	573,731	26,756
2007-08	635,218	31,680
2008-09	585,528	28,682
2009-10	814,076	39,411
2010-11	690,299	40,289
2011-12	782,810	40,447
2012-13	845,266	48,492

11) He states that the services have been advertised online, by targeted mail-shots and the distribution of brochures all of which featured the device element and the words "Team Challenge Company". A significant amount of the advertising was in conjunction with hotel chains such as Copthorne, Hilton, Thistle etc. In addition there were also advertising campaigns with independent hotels and venues such as Hampden stadium, Lumley Castle, Hawkstone Park Hotel etc. He states that the company had stands at the CONFEX exhibition London in 2012 and the Events Event Exhibition in Aberdeen in 2011 and 2012. He states that the UK Registry would not accept a registration for the words "Team Challenge Company", which it applied for on 30 October 2012 as the words had not become distinctive enough through use. Hence the application for the logo and the words trade mark in 2013.

12) Mr Crowley provides his opinion that the services of the two parties are similar as they are "both aimed at improving the performance of client companies". He confirms that Ms Smith wrote to him suggesting a coexistence agreement but he did not respond. He provides the following exhibits:

- GC1: A selection of brochures from 2001-2013. Trade mark 3008660 is used on the brochures and the services offered include team building, organisation of meetings and presentations, providing of training, arranging and conducting workshops, organisation of company events and entertainment. The papers have been split into years by Mr Crowley and a number have hand written dates on them. There are brochures for the years 2003, 2007, 2008 and 2009.
- GC2: A selection of brochures from 2002-2013 issued in conjunction with chain hotels. Trade mark 3008660 is used on the brochures and the services offered include team building, providing of training, organisation of company events and entertainment. The papers have been split into years by Mr Crowley and a number have hand written dates on them. There are team building events brochures for 2005, 2007 and 2009.

- GC3: A selection of brochures from 2004-2013 issued in conjunction with independent venues. Trade mark 3008660 is used on the brochures and the services offered include team building, providing of training, organisation of company events and entertainment. The papers have been split into years by Mr Crowley and a number have hand written dates on them. There are team building and entertainment brochures for each of the years 2007, 2008 and 2009.
- GC4: A selection of printed pages from the PEL website from the period 2006-2013. Trade mark 3008660 is used on the pages and the services offered include team building (2009), organisation of company events (2007 & 2008) and entertainment (2007 & 2008).
- GC5: Examples of postcard mail-shots sent to prospective customers during 2001-2013. Trade mark 3008660 is used on the postcards and the services offered include team building, organisation of company events and entertainment. These have been hand dated by Mr Crowley and there are cards for the years 2006 & 2007.
- GC6: Two undated photographs of one of the company's six vehicles all of which are liveried. It shows trade mark 3008660 and refers to team building, team development, corporate entertaining, indoor and evening events and event management.
- GC7: A copy of an advertisement from *Conference News* dated 2008. It shows trade mark 3008660 and refers to team building services, corporate event management, hospitality and entertainment such as spa days and family fun days.
- GC8: A screen print of a roadside advertisement which has been in place in Aberdeen since 2011. This shows trade mark 3008660 and refers to team building.
- GC10: Samples of paper items provided to participants in connection with events, these all have trade mark 3008660 printed upon them. They are dated 2011 & 2012.
- GC11: Examples of stationery which feature trade mark 3008660, dated 2012.
- GC12: A list of customers throughout the UK. Whilst addresses are not provided it includes companies such as Barclays, Apple, BAE, Bechtel, Ernst & Young, Scottish Power, and Sodexo.
- GC13 & 14: A copy of an invoice, addressed to Mr Crowley, for the design of the logo used by PEL dated February 2001. A copy of the design is attached as is an alternative which is highly similar.
- GC15: A letter, dated 7 January 2013, from the logo designer Mr Fuller stating that the design was finalised in February 2001. He also includes an invoice, addressed to Mr Crowley, for company brochures dated April 2001.

- GC17: The original of the advertisement from Conference News, see exhibit GC7 above, showing use of trade mark 3008660 in respect of team building services, corporate event management, hospitality and entertainment such as spa days and family fun days. Also included is a copy of the invoice for this advertisement. These are clearly dated December 2007.
- GC18: Invoices showing that the company attended the International CONFEX in London in 2012, and the Events Event exhibition in Aberdeen in 2011.
- GC19: Sample copies of paperwork provided for team building and team development provided by PEL during the period 2001-2013 along with copies of invoices for these services. The paperwork refers to working together, problem solving, learning exercises, planning, communication, leadership, time management, delegation and processes. There is an invoice for each year in the period and from 2008 onwards there is a copy of the course paperwork.
- GC20: A list of team building / development courses run during the period 2001-2013 and the names of the clients. The list is extensive, and there are a number of courses per year throughout the period.
- GC21: Print outs from the Facebook Account of AL which shows that they are also offering team building and development services.
- GC22: Sample invoices dated 2001-2013 for Corporate Entertaining, Corporate fun days such as quiz nights, race nights, murder mystery, xmas parties, BBQ and karting. There is an invoice for each year in the period with the exception of 2009; I note that there are two invoices for 2008.

EVIDENCE OF AL

13) AL filed three witness statements, dated 20 September 2013, 20 December 2013 and 29 January 2014, by Audra Smith the Managing Director of AL. She states that her company has used its mark (shown in paragraph 1 above) since 2010 in connection with its business of providing solutions in relation to operational and commercial issues. She states that her company identifies areas where the client business can streamline, improve or combine processes, people and activities to become more agile in its operations. She claims that her company uses a unique diagnostic model which takes a 3D look at the customers business or parts thereof in order to identify commercial problems and opportunities to improve processes, skills and interaction between teams. She states that most customers are the result of recommendations from satisfied clients. The company has used limited marketing, consisting of mail-shots to a target base of public and private sector organisations and having a presence on Twitter (since April 2011), Facebook (since July 2011) and LinkedIn (since July 2011). The mailings have been on a quarterly basis and are sent to approximately 900 companies and private sector organisations on its database. The companies targeted are usually those with a turnover of between £20m and £500m. The services offered are usually targeted following reports in local and national media or reports from a specialist search agency. She provides some examples of the organisations contacted Anheuser Busch plc, Shepherd Neame Ltd, Thorntons Ltd, Punch Taverns, Yeo Valley Farms and NHS Trusts.

14) Ms Smith states that her company has worked with a variety of companies throughout the UK. She provides the following turnover figures:

Year	Turnover £
2010/2011	3,000
2011/2012	83,664
2012/2013	73,387

15) Ms Smith states that the services offered by the two parties are similar and that the marks of the two parties are almost identical. Although in her second witness statement she performs a volte face and declares the services of the two parties to be different. Further she points out that PEL have used the pyramid device with words underneath identical to mark 3008660 and thus she states that the marks are different. In her third witness statement when comparing AL's registered mark to application 3008660 she states:

“Due to the visual similarities of the marks in question and also the seemingly identical and highly similar nature of the services covered by the opposed application in comparison to those covered by the registration and provided by Agilitise under the earlier trade mark, I believe there is a risk that if the opposed application proceeds to registration, the services offered by Premier Events will be confused with those offered by Agilitise.”

16) Ms Smith states that AL has targeted some of the companies, Coca Cola in particular, listed as clients by PEL and yet she has received no queries regarding whether the companies were related. However, this is somewhat undermined by her comments in her evidence in reply (at paragraph 18 below she states that the companies would be dealing with different people within such corporations as Coca-Cola). She also points out that there are a number of companies using the words “Premier”, “Team” and “Challenge” for Twitter accounts whereas PEL have used a number of different names most recently “Ger Crowley”; further she states that the device element is not on PEL's twitter account, and that it is not possible to search Twitter by logo /device. She then states that PEL's Facebook page does not feature the device element and that the Team Challenge Company Facebook page is no longer available. She also claims that there are a number of Facebook pages which have the same or similar name to “Premier Events and Leisure Ltd” and “Team Challenge Company”. She states that she carried out a Google search for Team Challenge and found only one which had the device present whereas a search the same day resulted in numerous hits for AL. She also states that when she carried out a Google images search for “Premier Events and Leisure Ltd” there were no hits for PEL on the first page, the evidence filed in support of this appears to contradict this statement. She also questions whether PEL have worked with Macdonald Hotels as claimed in its evidence. Further she questions whether the device element used by PEL was designed when claimed as she states that Vector graphics were not available in 2001. She also provides the following exhibits:

- AS1: Copies of pages from AL's website showing the services offered by AL. These include leadership, team work and communication.
- AS2: Details of a domain name registration (agilities.co.uk) registered on 11 May 2010.

- AS3: Copies of pages from the company blog dated between 18 July 2011 and 28 August 2013 which because of the size and quality of the copy are unreadable.
- AS4: A copy of an invoice, dated 4 March 2011 in relation to the design of AL's website.
- AS5: Copies of AL's Twitter account, since April 2011. These seem to focus on leadership, planning, teamwork and communication.
- AS6: Copies of AL's Facebook account from 2011. These seem to focus on leadership, planning, teamwork and communication.
- AS7: Copies of AL's LinkedIn page. This mentions teamwork.
- AS8: A sample of marketing material from 2011. Teamwork and communication appear to be the main topics.
- AS9: Examples of letter headed paper which show use of AL's registered mark.
- AS10: Copies of three invoices, dated from early 2011 in relation to the design and printing of AL's brochures.
- AS12: Copies of pages from PEL's Twitter account which do not show use of the mark relied upon by PEL in the invalidity action or those marks which it has applied to register.
- AS13: A search of Twitter to show use of the words "premier team challenge" by others. Most of the "team Challenge" sites appear to be American whilst the extensive use of Premier is neither surprising nor relevant.
- AS14 Copies of pages from PEL's Facebook page. Those under the name "team Challenge Company" do not feature the device element.
- AS15 Copies of AL's Facebook page which shows use of its registered mark.
- AS16: Copies of a *Google images* search under the term "premier events and leisure company limited".
- AS17 Copies of a *Google images* search for AL which produced one result for AL on the front page.
- AS18: Result of a Google search for "Premier Events and Leisure Ltd" and "Agilitise Limited". There would appear to be hits for both parties.
- AS19: A copy of one page from Macdonald Holyrood Hotel's website which shows no mention of PEL. This is dated 17 December 2013.

PEL'S EVIDENCE IN REPLY

17) PEL filed a witness statement, dated 14 April 2014, by Gerard Crowley who has provided evidence earlier in this case. He confirms that his company has provided services in MacDonald Hotels and refers to exhibit GC20 (page 140) which clearly shows MacDonald Hill Valley as the location of team building activities for Coca Cola. He also provides the following exhibit:

- GC 23: A variety of invoices relating to courses run at MacDonald Hill Valley.

AL's EVIDENCE IN REPLY

18) AL filed a witness statement dated 12 May 2014 by Ms Smith who has provided three witness statements earlier in these proceedings. She questions whether the evidence of PEL shows any use prior to 2011 let alone 2010 when it started using its mark. She states:

“Although the invoice listed at page 6 of exhibit GC23 shows direct contact with a division of Coca-Cola Enterprises Ltd, the type of services that Premier offers would be handled by an organisational marketing department and more often than not (as I personally worked in the industry for over twelve years) such services would be arranged through an intermediary such as a marketing agency.”

And:

“This means that even in the instance that both Agilitise and Premier ever happened to be working with the same organisation at the same time, little confusion would arise because the budgets are allocated at different levels within an organisation and the services undertaken would be completely different.”

19) Ms Smith points out that the two invoices provided by PEL at exhibit GC15 are to Mr Crowley and Team Challenge, whilst the addresses are also different. PEL is not mentioned. She raises questions regarding the invoices provided by PEL, pointing out that many do not mention PEL nor show the device. She also queries if they are legal as they do not have the company name and address or the company registration number. She also provides the following exhibit:

- Exhibit AS24: a copy of two pages from the website www.gov.uk setting out the current law in invoices, in particular what they must include. This is dated 12 May 2014.

CROSS EXAMINATION

20) At the hearing Mr Crowley was crossed examined. The witness appeared to me to be both credible and truthful. He did his best to answer the questions put to him in a straightforward and helpful manner. In the introduction of the witness Mr Crowley admitted that one of the brochures had been incorrectly identified in the final version of his witness statement as being from 2001 when in fact it was from 2004. He was at a loss to explain how this happened but he had checked all the other dates and was able to

confirm that these were correct. It was clear from his evidence that some of the “entertainment” evenings were used as team bonding sessions and the level of training would be far less than in certain other more structured training sessions. It was clear from Mr Crowley that the level of formal training would depend on the client’s needs. He also pointed out that training was not all “chalk and talk”, there were other ways to teach and to learn that to the untrained eye may appear at first to involve little training as some would recognise it. He also accepted that some of the corporate events were just pure entertainment, although since the recession began in 2009 these activities have virtually ceased. He pointed out that the brochures have moved from using the term “training” to using “development”. He gave an estimate of training/development events to simple corporate entertaining as 60/40. For AL Mr Wood tried to make capital out of what he regarded as discrepancies in dates between various witness statements, including those in support of the registration. In particular he drew attention to a post card said to have been sent in 2007 in one statement but 2008 in another. This was explained clearly by the witness as being simply cards from the same batch being sent out twelve months apart. The turnover figures do include some costs in relation to hotel accommodation which Mr Woods felt should be excluded. Mr Crowley was able to identify this as being approximately £100,000 per annum. It was also made clear that some of the advertisements relied upon were pdf copies retained on PEL’s computer systems, which explains why some of the lines printed do not make sense. He also explained that the copies of the invoices which had been queried by AL were simply printed on unheaded paper as they were copies, whereas the invoice sent to the client would have been on headed notepaper. He confirmed that the invoices had been paid and also that Coca-Cola would not have paid if there was anything illegal with the invoice.

21) At the hearing Ms Smith was also cross examined. The witness appeared to me to be both credible and truthful. She did her best to answer the questions put to her in a straightforward and helpful manner. She confirmed that she concentrated her training on sales and marketing and procurement departments. She also accepted that within corporate companies individuals will move from department to department in order to further their career, although she was not aware of anyone from personnel moving into the corporate roles that she trains. I also take note of the following answers:

Q. Let us move on then. At tab 32, which is your fourth witness statement, in paragraph 5 of this witness statement, which is on page 3, you say in the first sentence, "There has been no attempt by Agilitise to pass off Premier's logo", and you say that is because, "Agilitise offers distinct and different services." Your services do involve an element of team development, do they not?

A. No, not in the same sense because I go in to look at commercial issues between teams and how they can work on commercial issues better, so that is procurement or sales and marketing or sales. Usually in large companies they are quite distinct, so what you find is that people end up working in, a little bit of an expression, functional silos. They tend to get ingrained into their discipline and there are gaps in between those where things get dropped or they do not meet in the middle. So my role is to go in and try and help them join up the processes, but I do not actually teach team training. The training, if anything, comes from the fact that I share best practice with them that I have picked up what I have learned from my experience or other companies.

Q. You share that best practice because you ----

A. Because it is relevant to that particular situation, yes.

Q. So after you have been into their business those teams are better informed than

they had been previously?

A. I would like to think so, yes.

Q. So it follows that there is an element of training and development of those teams as a consequence of your work?

A. It depends on how they view training. If it is project work, which it predominantly is, then it is part and parcel of providing a service and consultancy to that client. They do not have to take up what I suggest. It is entirely up to them. All I can do is provide them with tools that I feel might help that particular situation.

AND:

Q. As far as you are concerned, January 2011 was when you started using the mark that you have now.

A. As it is recognised now, yes.

Q. And prior to that you did not really use it?

A. No, because I was not trading as a limited company

22) That concludes my review of the evidence. I now turn to the decision.

DECISION

23) Section 47 of the Trade Marks Act 1994 reads:

“47.-(2) The registration of a trade mark may be declared invalid on the ground -

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

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

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

24) Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

25) In determining the issue I take into account Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) which at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

26) I must next determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

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

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

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an

Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

27) In her cross examination Ms Smith changed her contention of when she began to use the mark in suit to January 2011. I therefore regard this date as the relevant date.

28) In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a *prima facie* case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are

considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

29) However, in *Minimax GmbH & Co KG v Chubb Fire Limited [2008] EWHC 1960 (Pat)* Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

30) AL contended that the marks of the two parties in the invalidity should be regarded as dissimilar as PEL has in all its dealings with clients used the device element and the words “Team Challenge Company”. Given that the training which they offer is mostly based around team building and team training the words have a relatively low level of distinctiveness. In contrast the device element is substantially larger and is highly distinctive. As Mr St Quinton put it “Team Challenge Company for a firm that provides challenging activities to teams is a descriptive word or a descriptive collection of words”. To my mind, the device element is unquestionably the dominant and distinctive element even though it cannot be verbalised. At the very least one would have to accept that it is an independent element. In the series of two marks in suit the pyramid device is encapsulated in a triangle within a circle. It is also used with the word “AGILITISE”. To my mind, the two elements are independent in that the word does not seem to have an connection or meaning in regard to the device element other than the allusion to having to be agile to balance in a human pyramid.

31) I take into account the comments in *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited [1946] 63 RPC 39*, where Lord Simonds stated that:

“Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”

32) Also in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2006] EWCA 244 (Civ), Jacob L.J. stated that:

“34. The judge also thought the “descriptiveness” of the name affected the question of whether it had a goodwill. But the name is not descriptive in the sense that anyone would describe a business or shop selling mobile phones as a “Phones 4u” business or shop. It is that sort of name which tells you what the business is, but is also obviously intended to be an invented name to denote a particular business. True it is that it is not particularly inventive—“4u” was a bit in vogue—the sort of thing others might well want to use. For that reason it would be unlikely to be accepted for registration as a trade mark without some proof of acquired distinctiveness. But distinctiveness for trade mark registration purposes is not the same concept as descriptiveness—it requires more. I think the judge was wrong to say, as he did:

“The phrase ‘Phones 4u’ is not inherently distinctive. It is a descriptive phrase, although not wholly descriptive in that I accept that it is more likely to acquire distinctiveness through use than a wholly descriptive expression. Nevertheless, there is an onus on the Claimants to satisfy me that it had become distinctive through use.”

This is the language of distinctiveness for trade mark registration, not that for testing whether a goodwill has been established.”

33) I also take into account the views in *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, where Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants’ [product] in the belief that it is the respondents’[product]”

The same proposition is stated in Halsbury’s Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden’s Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court’s reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

34) Considering the evidence it is clear that PEL began using their mark in 2001 and have made substantial use of it in respect of team building, organisation of meetings and presentations, providing of training, arranging and conducting workshops, organisation of company events and corporate entertainment. I also take into account the substantial sales figures provided. **PEL have shown that they have goodwill in these services.** Whilst AL attempted, particularly during cross examination, to distance its activities from those of PEL, it is clear that AL delivers training in respect of best practice which would have the effect of altering the way in which teams within a particular discipline, such as sales, work. It is difficult to draw a line between this and general training/development and team training/building. Even if I were to accept the contention I have to take into account that AL acknowledged that within corporations it was highly likely for staff to move from one department to another and therefore the chances of the same person coming across both parties is increased.

35) However, it is accepted that a common field of activity is not required as stated in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA). **In the instant case with both parties offering, broadly speaking, training and development services and both using highly similar devices there is no doubt in my mind that there will be misrepresentation.** I take into account in reaching this decision the views expressed by AL at various points in this case where it has held that the marks and services were at least similar. At other times they have argued the converse, but these denials have seemed driven by strategic thinking and attempting to face both ways at the same time for tactical reasons.

36) Having shown misrepresentation PEL must show that there is a likelihood of damage. I take into account the views in *Harrods Limited v. Harrodian School Limited*, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”

37) In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man's business has been interfered

with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

38) Consequently in the instant case if the applicant has established a goodwill and shown deception then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off will have been established. **Taking into account all of the above there is clear danger of damage. The ground of opposition under section 5(4)(a) therefore succeeds and Trade Mark 2575691 is deemed never to have been made.**

39) **Because of the finding above AL does not have an earlier right and its oppositions to applications 2640199 and 3008660 under sections 5(2)(b) must fail. It opposition to 3008660 under section 5(4)(a) also fails as PEL is the senior user.** Turning to consider the ground of opposition under section 5(4)(a) in respect of application 2640199, it is my opinion that use of mark 3008660, which has the same device element as 2640199 but also includes the words “Team Challenge Company” would provide PEL with goodwill in the independent and distinctive device element. As such PEL would be considered to have used the device element since 2001 and thus be regarded as the senior user. **Therefore the opposition under 5(4)(a) in respect of application 2640199 must fail.**

CONCLUSION

40) **The invalidity action under Section 5(4)(a) in respect of registration 2575691 has succeeded and the mark is deemed to have never been made. As a consequence of this finding, and my comments in paragraph 39 above, the oppositions to applications 2640199 and 3008660 under sections 5(2)(b) and 5(4) must fail.**

COSTS

41) At the hearing both parties requested that I postpone awarding costs at this stage. They preferred that they be given the opportunity of considering the decision and providing submissions. **I therefore give both parties two weeks from the date of this decision to provide written submissions in respect of costs only. I will then issue a supplementary decision dealing with costs.** The appeal period will start from the date that this supplementary decision is issued.

Dated this 2nd day of December 2014

**G W Salthouse
For the Registrar
the Comptroller-General**