

O-315-06

**TRADE MARK APPLICATION No 2226144**

**BY THE CFA INSTITUTE**

**TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 36**



**AND OPPOSITION TO THE REGISTRATION UNDER No 91541**

**BY THE CHARTERED INSURANCE INSTITUTE**

## Background

1. On the 17 March 2000, the Association for Investment Management and Research of Charlottesville, Virginia, U.S.A., applied to register the mark shown below as a collective trade mark in Class 36.



2. The services for which the mark is proposed to be registered are “Financial analysis, investment management security analysis services.”

3. The applicant’s subsequently changed its name to the CFA Institute.

4. The registrar accepted the application and the regulations governing the use of the collective mark and published the application for opposition. On 4 March 2003, The Chartered Insurance Institute filed notice of opposition to the proposed registration. The grounds of opposition are, in summary, that:

i) registration of the mark would be contrary to section 3(3)(b) of the Act because use of the mark would be liable to deceive and cause a substantial proportion of the relevant the public to believe that the persons using the mark were approved or regulated by a professional body established by Royal Charter and/or had been approved and regulated by the opponent;

ii) for the same reason, and because use of the term “chartered” in the UK is restricted under the Business Names Regulations, registration would be contrary to public policy and therefore prohibited by section 3(3)(a) of the Act;

iii) use of the mark would lead the public to believe that the applicant has Royal endorsement and registration of the mark would therefore be contrary to section 4(1)(d) of the Act;

iv) the application was made in bad faith.

5. The opponent asks for the application to be refused or, in the alternative, the imposition of a requirement in the regulations governing the use of the mark that authorised users of the collective mark state in a prominent manner a) that the applicant has conferred the title and its identity and nationality, and b) that the applicant is not a body established by Royal Charter.

6. The applicant filed a counterstatement in which it generally denies the grounds of opposition and states that:

i) the term “chartered” is not limited to public bodies incorporated by Royal Charter and is actually used by many companies and organisations which do not hold a Royal Charter;

ii) the Business Names Regulations concern only the names of companies and businesses and do not cover the use made of trade marks or other designations;

iii) “Charterholder” is a level of membership of the applicant’s organisation and the term Chartered Financial Analyst has been in use by such members in the UK since 1985 (subsequently claimed to be from 1978).

iv) the opponent is aware of the applicant’s use of the mark and the allegation of bad faith is unsustainable and vexatious.

7. Both sides seek an award of costs.

### **The Opponent’s Evidence**

8. The opponent’s evidence is contained in four witness statements by Gary Maydon, Robert Bulling, Nicola Lines and Madeleine Anne Gurney.

9. Mr Maydon was the General Counsel for the opponent at the time he made his witness statement in September 2003. Mr Maydon gives a detailed account of the opponent and its activities and the importance of Chartered bodies in serving the public good. He states that the opponent has “actively promoted the attainment of chartered status as the pinnacle of professional achievement” and attaches as exhibit GM9 a copy of the promotional brochure produced by the opponent entitled “Chartered Status.... It makes a difference” to support this claim. He further states that the opponent’s qualifications are taken worldwide in over 100 countries.

10. Mr Maydon points out that the Oxford English Dictionary defines the word ‘chartered’, inter alia, as:

“...A written document delivered by the sovereign or legislature

- a) granting privileges to, or recognising the rights of, the people, or of certain classes or individuals;
- b) granting pardon. Hence *to have one’s charter* = to receive pardon;

- c) creating or incorporating a borough, university, company or other corporation..”

“Founded, privileged, or protected by charter...

....privileged, licensed...”

11. Mr Maydon states that the use of the term ‘Chartered’ has been for many years, limited to those bodies incorporated by Royal Charter. He says that policy in reserving the term ‘Chartered’ for bodies incorporated in this way can be seen from Government regulation. In this connection he attaches (as exhibits GM11 & 12) a copy of the Business Names Act 1985 and the Company and Business Names Regulations 1981 (as amended).

12. Section 2(1) of that Act prohibits the use of business names including any word or expression specified in regulations made under the Act, unless the party concerned has the written approval of the Secretary of State (for Trade and Industry). Sub-section (3) states that an offence will not arise under sub-section (1) where a person carried on a business prior to 26 February 1982 under a lawful business name and continues to carry it on under that name.

13. The Company and Business Names Regulations include the words ‘charter’ and ‘chartered’ in the list of controlled terms.

14. Mr Maydon also draws attention to the existence of The European Communities (Recognition of Professional Qualifications) Regulations 1991, (which he exhibits as GM13) the purpose of which is to remove barriers to EU citizens practising in other member states. Article 10 of the Regulation states that in the case of UK professions regulated by professional bodies governed by Royal Charter, migrants may not use the relevant professional title unless they are members of the relevant professional body. The persons qualifications in other member states must be taken into account in deciding whether he or she qualifies for membership.

15. Mr Bulling is the head of the “Charter Group” (a practice group) at Allen & Overy, solicitors. He was previously the Deputy Clerk of the Privy Council from 1992 to 1999. He acts for a number of chartered bodies, including the opponent.

16. Mr Bulling gives evidence about the history of Royal Charters and the circumstances and procedures involved in securing one in modern times. He explains that the grant of a Royal Charter was at one time the only means of creating corporations under the law of this country. Although that has long since changed, there are still over 400 chartered bodies in existence. The constitutions of these bodies are subject to control by the Government acting through the Privy Council, which is also responsible for vetting any new applications. Mr Bulling quotes from passages on the Privy Council Office website which describe the process like this:

“...in modern times, Charters are normally reserved for bodies proven to work in the public interest, such as eminent professional institutes and charities which can demonstrate pre-eminence, stability and permanence in their field.

An application for a Royal Charter takes the form of a petition to The Sovereign in Council. Charters are granted very rarely now and a body applying for a Charter is expected to meet a number of criteria.”

17. The main criteria are described as being that:

- a) the institution should comprise members of a unique profession and should have as members most of the eligible field for membership;
- b) at least 75% of the corporate members should be qualified to at least first degree level in a relevant discipline;
- c) the institution should be economically sound and stable;
- d) there should be a convincing case as to why the regulation of the body by the Government would be in the public interest;
- e) the institution is expected to be of a substantial size (normally 5000 members or more).

18. Mr Bulling provides (as exhibit RB1) a copy of the guidance provided by the Privy Council to would-be applicants. This indicates that an application for chartered status should contain and include (amongst other things):

- i) evidence that the body is pre-eminent in its field and in what respects;
- ii) the academic and other qualifications required for membership of the various grades;
- iii) the bodies past achievements.

19. The guidance also indicates that incorporation by Royal Charter means that a body surrenders significant aspects of its internal control. This is because amendments to the Charter or by-laws can be made only with the approval of the Privy Council, which means a significant degree of Government regulation.

20. Mr Bulling claims that;

“ ‘Chartered’ has an established perception – denoting professional qualification and regulation in the public interest - in the public mind.”

and he concludes;

“As such established titles are authorised under prerogative instruments, there is no general statutory protection against mis-use, but anyone using such a title without authorisation would be subject to action in the courts for passing off”.

21. Nicola Lines is the Company Secretary of the opponent’s organisation. Her evidence provides a great deal of further information about the opponent, its history and the professional ‘Chartered’ designations which it bestows on around 18.5k of its members.

## **Applicant's Evidence**

22. Madeleine Gurney is a solicitor employed by Phillips & Leigh, the opponent's Trade Mark Attorneys. The gist of Ms Gurney's evidence is that all the trade marks, collective marks and certification marks which a) include the word Chartered, b) are registered in the UK, and c) are in the nature of professional designations, are held by organisations with Royal Charters.

23. The applicant's evidence is contained in an affidavit of William P McKeithan, who is the General Counsel of the applicant's organisation. Mr McKeithan states the Institute of Chartered Financial Analysts was created in the USA in 1961 and began holding certification examinations for its members in 1963. The current applicant resulted from a merger of the Institute of Chartered Financial Analysts and an organisation called the Financial Analyst Federation, which was completed in 1999. The applicant was then known as the Association for Investment Management and Research, but has since changed to the current name of CFA Institute.

24. According to Mr McKeithan, the applicant is an international organisation with members in numerous countries. London is an important market for the applicant because of its reputation as a financial centre. In that connection, he claims that the name "Chartered Financial Analyst" has been used in the UK since 1978 when the first examinations for the Chartered Financial Analyst Programme were held in London.

25. The result of fulfilling the requirements of the Programme is that individuals become 'Charterholders' and therefore entitled to use the words Chartered Financial Analyst on their business cards, letter heading and other appropriate media. In order to complete the Programme candidates have to pass three examinations. There is no information about the number of candidates who took the examinations in London between 1978-1984, but it appears (from exhibit 10 to Mr McKeithan's affidavit) that 17 candidates took the examinations in London in 1985. This figure rose to 85 in 1990, 203 in 1995 and over 1400 in 1999, the year before the application for registration.

26. According to the information provided by Mr McKeithan (in exhibit 11) the percentage of candidates passing the examinations is generally in the region of 50-65%. The income generated by the applicant in the UK through examination fees, membership fees, publication sales and educational programmes amounted to \$44k in 1989 rising to \$624k in 1996 and over \$1.5m in 1999.

27. It is clear from the information provided by Mr McKeithan (see, for example exhibit 11) that the applicant's members are professional people in the financial field generally working for big banks or other financial organisations in the investment field. 73% of CFA Charterholders are said to be employed by banks, investment companies/brokers/dealers or investment management consulting firms. According to the organisations year 2000 annual report, the proportion of its members managing private accounts was increasing. In 1990 only 10% of its members managed accounts for private clients. By the year 2000 that had increased to nearly 40%.

28. Mr McKeithan claims that the applicant has spent considerable sums promoting the name Chartered Financial Analyst in the UK. He provides figures for some of the expenditure but these post date the application date. However, he also provides (at exhibit 18) copies of the some of the advertisements that have appeared in publications circulated in the UK. There is an example of an advertisement which appeared in the Financial Times on 14 November 1997 which promotes the CFA Charter as representing “Investment professionalism and excellence” “around the globe”. The words Chartered Financial Analyst appear prominently in this advertisement. The CFA Charter is recorded as having been sponsored by the Association for Investment Management and Research, which is not conspicuously identified as being an US-based organisation. There are copies of similar advertisements that appeared around the same time in the Economist.

### **The Hearing**

29. The matter came to be heard on 17 July 2006 when the applicant was represented by Mr James Mellor of Counsel, instructed by Marks & Clerks, Trade Mark Attorneys, and the opponent was represented by Mr Daniel Alexander Q.C., instructed by Phillips & Leigh, Trade Mark Attorneys.

30. Mr Alexander indicated at the hearing that the opponent’s allegation of bad faith stood or fell together with the other objections to the registration of the mark. I was not asked to consider a separate case of bad faith.

### **The Section 3(3)(b) objection**

31. This is the opponent’s principal ground of objection and I shall deal with it first. Section 3(3) of the Act is as follows:

“(3) A sign shall not be registered as a trade mark if it is-

- (a) contrary to public policy or to accepted principles of morality, or
- (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).”

32. The section is based on articles 3(1)(f) and 3(1)(g) of Directive 104/89 to approximate the trade mark laws of the member states of the EU.

33. The opponent puts its case like this. Firstly, Royal Charters are awarded only to bodies proven to the satisfaction of the Privy Council to work in the public interest, such as pre-eminent professional institutes. Secondly, the term “chartered” has, for many years been limited to those bodies incorporated by Royal Charter. This is reflected in the regulations made under the Business Names Act and the absence of evidence of any other professional association in the UK which uses the word ‘Chartered’ without a Royal Charter. Thirdly, the word ‘Chartered’ in a professional title of the kind represented in the applicant’s trade mark is therefore an indirect indication of the quality of the services provided by users of such titles. In this respect the mark is said to convey a similar message to “university” in that it gives rise to an expectation of a measure of commonality in the services provided by the various organisations entitled to use the title. Fourthly, the applicant has not in fact been

through the process of vetting which precedes the grant of a Royal Charter and the use of the word 'Chartered' in its professional title therefore represents something to the public which is not true. In this connection, the opponent points out that the courts have refused to register marks under earlier trade mark laws where they gave rise to false expectations on the part of the public as to the quality of the goods/services: see *Royal Worcester* [1909] 1 Ch 459 and *Gold Medal* [1970] RPC 212.

34. It is not alleged that the applicant intends to deceive the public into believing that it is the subject of a Royal Charter. However, the opponent's case is that that this will be the result and whilst it is not alleged that the applicant has an intention to deceive, it is submitted that the applicant chose the title 'chartered' in order to cloak itself and its members with the aura of respectability and responsibility associated with that description.

35. No part of the case I heard was that the use of the word 'Chartered' in the applicant's mark was liable to convey a deceptive reference to the opponent's organisation.

36. Before I turn to the applicant's case I should record that the opponent drew my attention to an entry in some draft examination guidance which states that proof of an organisation's Royal Charter will be required in these circumstances. However, it is well established that each case must be decided on its own merits and that the registrar's guidelines do not have the status of law. The registrar is not therefore bound or fettered by the published examination guidelines (let alone draft guidelines). And this will be particularly so where a novel question arises which has no direct parallel in earlier contested proceedings.

37. The applicant's case is as follows. Firstly, it submits that the opponent's case depends upon the average consumer having an understanding as to the significance of the word 'chartered' as meaning that the body authorising use of the mark is the holder of a Royal Charter and therefore subject to the control of the Privy Council, and that the opponent's evidence establishes no such thing. According to the applicant, the term 'chartered', at most, gives rise to a vague awareness that someone who describes themselves as, for example, a Chartered Engineer or Chartered Accountant has achieved a certain status by meeting particular standards (usually by passing exams) set by a body which regulates that profession. The applicant's use of the term 'chartered' is consistent with that promise because the applicant's "charterholders" have passed demanding examinations set by the applicant.

38. Secondly, the applicant submits that in order for section 3(3)(b) to be engaged the deception must be such as to be likely to affect the economic behaviour of the relevant public – for which Mr Mellor relies upon paragraph 46 of the Hearing Officer's decision in *Smirnoff* BL O/523/01 – and the opponent's evidence is again said to be lacking in this respect.

39. Thirdly, the applicant points to the fact that it has been using the term Chartered Financial Analyst in the UK for many years and there is no evidence of deception.

## Finding

40. I find it convenient to start with Mr Mellor's submission that the sort of deception with which s.3(3)(b) is concerned is that which is liable to affect the economic behaviour of consumers. If this is understood as meaning that the claim represented by the mark is likely to be a factor (but not necessarily a decisive factor) in the consumer's choice of the goods and services, then I accept it. The European Court of Justice's (ECJ) judgment in Case C-259/04, *Elizabeth Emanuel v Continental Shelf 128 Ltd*, provides support for the proposition that the section is not directed at marks containing statements, which although inaccurate, have no bearing on the consumer. In paragraph 47 of its judgment the court stated that:

“...the circumstances for refusing registration referred to in article 3(1)(g) of Directive 104/89 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived.”

41. Customers of financial services have good reason to be concerned to take advice from reputable advisers. I do not think that a false claim that a person who is providing financial services is a member of an organisation with the standing of a Royal Charter would therefore be an irrelevancy from a consumer's perspective. Such a claim is liable to be taken as a promise of the highest quality of services. The cachet associated with having such a charter in the public's mind is no doubt why bodies are prepared to face the apparently substantial difficulty of persuading the Privy Council that they deserve one, and surrendering some control over their internal affairs.

42. In fact in response to a question that I put to him, Mr Mellor was constrained to accept that a mark including a false claim that the user was “Authorised by Royal Charter” could be subject to an objection under s.3(3)(b). This view of the scope of s.3(3)(b) would also be consistent with the finding of the OHIM First Board of Appeal in Case R-468/1999-1, *International Star Registry*, which found that an organisation misrepresenting itself as something which it was not was prohibited from registering a misleading name as a trade mark by Article 7(1)(g) of Regulation 40/94, which is equivalent to s.3(3)(b) of the Act.

43. Accordingly, the question seems to me to be whether an average consumer of the services in question would regard the applicant's mark as containing a claim that the professional users of the mark are members of an organisation of the kind granted a Royal Charter, or whether there is a sufficiently serious risk that such deception will occur in the future. Neither party has filed evidence from ordinary consumers of financial analysis and investment management services. I am therefore left to assess the facts as best I can on the materials available to me.

44. Mr Maydon and Mr Bulling purport to give evidence as to the significance and meaning of the word ‘chartered’ to the general public. Neither is an average consumer of financial analysis services and their roles suggests that their appreciation of the meaning and significance of the word in a professional title may not be typical. I am therefore reluctant to conclude on the basis of their opinions that the average consumer of the services at issue would expect that a person offering those services under the mark at issue to be a member of an organisation of the kind described above. Nevertheless, I think that I can give some weight to their evidence that, at least

as far as professional designations are concerned, the UK public's experience of 'Chartered' professionals is (the applicant's members apart) limited to members of bodies granted a Royal Charter.

45. The entry from the Oxford English Dictionary cited by Mr Maydon provides a measure of support for the claim that one of the meanings of 'charter' is known to be a form of incorporation by Royal Charter. Further, I note that the first entry for 'chartered' in the same dictionary is:

“1. (Brit) (of an accountant, engineer, librarian etc.) qualified as a member of a professional body that has a Royal Charter.”

46. The second and only other entry relates to the chartering of a ship or train. The above entry is therefore the only relevant one.

47. I recognise that entries in dictionaries are not necessarily conclusive of consumers understanding of the meaning and significance of words, but I regard the dictionary entry as providing a further measure of support for the opponent's case.

48. The evidence of Ms Lines and Ms Gurney does not take the matter any further as far as the public's perception of the meaning of such titles is concerned. However, the fact that all the certification and collective trade marks in the nature of professional designations identified in the searches which are the subject of Ms Gurney's evidence are held by bodies with Royal Charters is at least consistent with the opponent's case.

49. Further, the fact that the inclusion of the words 'charter' and 'chartered' in business names has been controlled since 1981 is a further indication that the public are unlikely to have come across many organisations with those words in their titles which are not of the kind that have a Royal Charter.

50. By contrast, I note that despite the opponent's pleading that the title 'chartered' is actually used by many companies and organisations which do not hold a Royal Charter, it filed no supporting evidence for that claim. At the hearing, Mr Mellor drew my attention to the longstanding use of the name Standard Chartered Bank by a financial organisation in business in the UK. I think that I can take judicial notice of that even without evidence, but it strikes me that a) it is the only well known example that I can think of, and b) its use as an ordinary trade mark will not necessarily convey the same meaning to the public as the use of 'Chartered' in a collective mark representing a professional designation such as Chartered Financial Analyst.

51. The evidence is not overwhelming but, on balance, I find that it is sufficient to justify the conclusion that consumers of financial services would, when first encountering the designation Chartered Financial Analyst, understand that designation as offering a promise of quality assurance of the same kind as that signified by its use in other professional designations granted by bodies with Royal Charters, such as Chartered Accountant or Chartered Engineer.

52. Such bodies have satisfied the Privy Council that they and their members have the necessary standing in their respective professions to justify a Royal Charter. I do not expect that the relevant public will be very familiar with the mechanism for obtaining

a Royal Charter or the precise extent of the regulation by the Government of such bodies. I do not regard an understanding of such matters as being a necessary part of the opponent's case. It is sufficient that the public have been educated through their experiences to the perception that there is a commonality amongst the various professional bodies that are able to grant their members 'Chartered' status, which has lead the public to regard the use of this word in professional titles as a warranty of high standards.

53. In this connection, I see force in Mr Alexander's submission that, at least when used in a professional designation, the term 'Chartered XXX' can be likened to the word 'University'. The public may not understand the precise mechanism under which that term is controlled, but they know that not just any body can call itself a university, and that the controls which govern the use of that name guarantee at least a minimum standard of educational services. A professional designation 'Chartered XXX' will be viewed in much the same way, except that it probably carries a stronger promise of quality. This is because it appears that (the applicant apart) only those bodies granted a Royal Charter have hitherto granted 'Chartered' professional designations, and those organisations are the established and pre-eminent bodies in their respective fields.

54. I conclude that the relevant public in the UK would, prima facie, expect a person using the mark applied for to be representing themselves as a member of an organisation of the kind subject to a Royal Charter. The applicant's members use of the designation Chartered Financial Analyst is therefore capable of deceiving the relevant public in the UK.

55. The next question is whether the length and extent of the applicant's trade under names including the word 'Chartered' prior to the date of its application is liable to have modified the expectations of the relevant public with regard to the use of the specific mark applied for.

56. The relatively small number of people applying to sit the applicant's examinations in London suggests that the applicant's organisation was not very well known up until the mid 1990s. However, judging from the increasing numbers of people sitting the applicant's examinations in the five years leading up to the date of the application, the applicant and its 'charterholder' qualification was becoming increasingly recognised amongst investment management advisors in the UK. It is likely that the collective mark was also known to those UK institutions which employ such practitioners. I think it likely that, by the date of the application, many of those closely involved in the investment management business in the UK would have become familiar with the applicant's organisation. Those people would probably have realised that it was a US based organisation which used its 'Chartered' designation as a reference to its self styled 'charterholder' class of membership rather than as a reference to a Royal Charter as with other charter holding bodies.

57. I am less convinced that private clients would have become aware of this distinction. I therefore regard it as significant that the proportion of the applicant's members which offer services to private clients appears to be increasing. With this in mind I have looked carefully at the nature of the applicant's pre-application advertising promotions in order to assess whether the applicant had educated the

wider relevant public as to the meaning of the word 'chartered' in the designation Chartered Financial Analyst.

58. The applicant provided (at exhibit CFA17) details of its web site, but the relevant parts all post date the application. It appears that the Association for Investment Management and Research also exhibited at three financial conferences held in London between 1996 and 1999. Two of these (Euromoney Bond Congress and Futures Options World Derivatives Exhibition) appear to have been events likely to have been attended mainly by specialist practitioners. The third (National Association of Pension Funds Annual Conference) may have attracted a wider spread of delegates, but there is no information about whether or how the Chartered Financial Analyst designation was promoted at these events.

59. As I noted earlier, the applicant's mark was promoted in more general financial publications prior to the date of the application, including the Financial Times and the Economist. The number of such advertisements in evidence is limited. These advertisements emphasised the link between entitlement to use the designation and high standards and ethics. There is nothing about this aspect of the advertising that would put the public on warning that the sort of guarantee offered by the designation Chartered Financial Analyst was not the same as that offered by members of other professional bodies of the kind granted Royal Charters. A few of the advertisements make reference to the 'charterholder' class of membership. I think that this would have had an ambiguous meaning to a private investor who is not already familiar with the origins of the applicant's organisation. The advertisements also refer to the applicant having qualified members around the world. However, the opponent also makes such a claim in its promotional material. Membership in other countries does not therefore distinguish the applicant's members from members of bodies of the kind granted a Royal Charter. The applicant's public advertisements do not clearly identify the organisation as one that originated in the US. In fact the only clue as to its US base seems to be that a US free phone telephone number, which is included in relatively small print at the bottom of the adverts. This subtlety is likely to have been lost on the casual reader.

60. I therefore find that the potential for deception, particularly amongst private investors, is unlikely to have been significantly reduced by the applicant's promotion of its collective mark prior to the date of the application. There is no evidence of deception having come to light. However, I do not regard this as decisive. It may simply be because deception of the kind described above was complete.

61. For the reasons given above, I find that the objection under s.3(3)(b) of the Act succeeds.

### **The Section 3(3)(a) Objection**

62. If the finding under s.3(3)(b) is correct there is no need for me to deal with the ground of opposition under s.3(3)(a). However, if my earlier finding is found to be wrong, then this ground could still be relevant. I will therefore approach this ground of opposition assuming against myself that the ground of opposition under s.3(3)(b) fails.

63. The opponent's case is that there is a public policy to reserve the use of the word 'Chartered' to those organisations granted a Royal Charter and this is embodied in the Business Names Regulations and, to a lesser extent, the Regulation governing the use of professional titles by the nationals of other member states.

64. The applicant's case is that:

a) s.3(3)(a) should be interpreted restrictively in line with the case law of the ECJ:

b) the Business Names Regulations do not apply to trade marks and, in any event, do not impose an absolute prohibition on the use of the word 'Chartered':

c) as the mark is not deceptive there is no other policy reason to refuse registration.

65. I accept that the exclusion of marks on the grounds of "public policy" must be approached cautiously. The Opinion of Advocate General Jacobs in Case C-377/98, *The Kingdom of Netherlands v European Parliament and Council of the European Union* (at paragraphs 96-101) indicates that the term "public policy" has the same meaning as "ordre public" in the French version of the Directive. As the Advocate General observed in paragraph 101 of his opinion, the ECJ has said that:

".....recourse by a national authority to the concept of public policy presupposes, in any event, the existence, in addition to the perturbation of the social order which any infringement of the law involves, of a genuine and sufficiently serious threat to the requirements of public policy affecting one of the fundamental interests of society."

66. I do not think that use of the applicant's trade mark infringes the Business Names Regulation because that regulation does not cover the use of words as trade marks which are not the name of a business. If the regulation did apply there would be a further issue because on the uncontested evidence the applicant's use of the offending part of its mark began (albeit on a tiny scale) prior to the earliest regulation cited by the opponent, and has been used continuously since. In fact I did not understand Mr Alexander to submit that the applicant's use of its mark was prohibited as such by the Business Names Act. As I understand it, the opponent's case is that the restriction on the use of 'Chartered' in business names represents a public policy of restricting the use of the word only to organisations granted a Royal Charter, and the applicant's mark therefore offends the policy behind the law rather than the law itself.

67. It seems to me that even without the guidance of the ECJ about the limited scope of s.3(3)(a), a tribunal should be careful about filling in perceived gaps in the law under the guise of public policy.

68. And if I assume against myself that the applicant's use is not liable to cause deception, then it is difficult to see what other public policy would be offended by the mark.

69. I do not regard the “The European Communities (Recognition of Professional Qualifications) Regulation 1991” as adding anything to the opponent’s case. All they show is that nationals of other member states of the EU are entitled to use various professional titles including the word ‘Chartered’, such as Chartered Engineer, if a) the person is a member of the relevant body and b) they have passed its exams or hold equivalent qualifications achieved elsewhere.

70. I conclude that there is no ground of objection under s.3(3)(a) of the Act which could succeed independently of the opposition under s.3(3)(b).

### **The Objection under Section 4(1)(d)**

71. Section 4(1)(d) is as follows.

“A trade mark which consists or contains-

(a) –

(b)-

(c)-

(d) words, letters or devices likely to lead the persons to think that the applicant either has or recently has had Royal patronage or authorisation, shall not be registered unless it appears to the registrar that consent has been given by or on behalf of Her Majesty or, as the case may be, the relevant member of the Royal Family.

72. Again, I do not think that this ground can succeed if the objection under s.3(3)(b) fails. If anything, this ground is weaker because it depends upon the relevant public having a specific understanding of the term ‘Chartered’ as being a sign of Royal endorsement rather than a more general indication of common and regulated professional standards.

73. There is no ground of objection under s.4(1)(d) of the Act which could succeed independently of the opposition under s.3(3)(b).

### **Conclusion**

74. The opposition under s.3(3)(b) has succeeded. The other grounds present no distinct grounds for refusal. In view of the opponent’s (rightly made) concession that its case under s.3(6) stands or falls with its other grounds of objection, I need say no more about that ground.

### **Costs**

75. The opposition having succeeded, the opponent is entitled to a contribution towards its costs. Mr Mellor asked me to take account of the fact that the opponent has raised a rather ambitious allegation of bad faith, which it subsequently decided not to pursue as an independent ground of objection, and that the opponent filed a substantial volume of fairly detailed evidence.

76. I have considered these points but they do not persuade me that I should depart from the usual scale of costs in this case. I doubt whether the bad faith allegation should ever have been made, but it did not add much, if anything, to the evidence filed. Further, the opponent made an appropriate concession at the start of the hearing which meant that it wasted relatively little time. And although it is reasonable for the applicant to question the relevancy of those (lengthy) parts of the opponent's evidence which describe in great detail its own organisation and history, the overall volume of the opponent's evidence does not appear to me to be particularly exceptional or intended to be oppressive.

77. Accordingly, I will determine costs on the usual scale. I therefore order the applicant to pay the opponent the sum of £2000 as a contribution towards its costs.

**Dated this 31st Day of October 2006**

**Allan James  
For the Registrar**