

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2054597
BY J C BAMFORD EXCAVATORS LIMITED
TO REGISTER A TRADE MARK IN CLASS 36**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 52362
BY JCB CO LTD**

TRADE MARKS ACT 1994

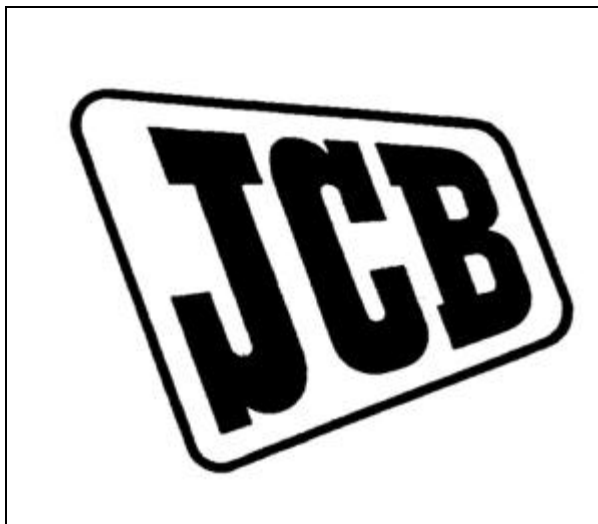
**IN THE MATTER OF Application No. 2054597
by J C Bamford Excavators Limited
to register a Trade Mark in Class 36**

AND

**In the matter of Opposition thereto under No. 52362
by JCB Co. Ltd**

DECISION


1. On 30 January 1996 JC Bamford Excavators Limited applied to register the following mark:



for a specification of services which reads: “Financial services and the provision of credit and loans; financial services relating to the supply, distribution, purchase, leasing, lease-purchasing and insurance of machines and vehicles; insurance services.”

2. The application is numbered 2054597.

3. On 9 April 2001 JCB Co Ltd filed notice of opposition to this application. They are the proprietors of the following registration:

No.	Mark	Class	Specification
1296950		36	Credit card services; issue of credit cards; credit agency services; credit advice; credit recovery services; insurance services; provision of loans; issue of travellers cheques; all included in Class 36.

4. They say that the mark applied for is similar to their earlier trade mark and has been applied for in respect of services which are identical or similar to their earlier registration and there exists a likelihood of confusion. Objection is, therefore, taken under Section 5(2)(b).

5. They also say that the Opponents have been established since 1961 and that substantial use has been made of the trade mark in relation to credit card services and related goods and services resulting in substantial reputation and goodwill. In particular, the trade mark is said to have been used in the UK since 1982. The use of the mark of the application is liable, therefore, to be prevented by virtue of the law of passing off and registration of the mark would therefore be contrary to Section 5(4)(a).

6. The applicants filed a counterstatement denying the above grounds. They accept that the opponents are proprietors of an earlier trade mark but suggest that the mark is restricted in scope to the colours indicated by the heraldic shading used for the device. They say that use of their mark in respect of the services covered by the application commenced in the UK in 1970 and, therefore, that the applicants' rights precede any rights the opponents may have.

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

8. Both sides filed evidence. The matter came to be heard on 17 December 2002 when the applicants were represented by Mr T Mitcheson of Counsel instructed by Forrester Kettley & Co and the opponents by Mr M Edenborough of Counsel instructed by Abel & Imray.

Opponents' evidence

9. The opponents' principal evidence comes from Isao Nakanishi, the President of JCB Co Ltd. He firstly says, in response to the comment contained in the applicants' counterstatement, that there is no colour restriction on the UK register in connection with his company's earlier trade mark. He notes that the application in suit was accepted on the basis of honest concurrent use in the face of No. 1296950. He suggests that the applicants have failed to provide evidence of use in respect of financial services other than financial services relating to the supply, distribution, purchase, leasing, lease purchasing and insurance of machines and vehicles. Accordingly it is said the applicants are not entitled to registration for financial services in general.

10. Mr Nakanishi goes on to address his own company's activities. I will restrict my summary of his evidence to what is said about use in the UK. The main points to emerge are that:

- the earlier trade mark was first used in the UK in January 1982 in relation to a credit card business;
- turnover has increased over the years in a more or less steady progression from £115,000 in 1983 to £25,419,000 in 1995 the last full year before the material date. Turnover in this context relates to the value of the transactions made by customers using the opponents' cards;
- approximately £500,000 has been spent on advertising services in the UK since the card was first introduced.

11. In support of these core claims Mr Nakanishi exhibits:

- IN1 - copies of advertisements in trade magazines and trade publications, a brochure entitled "Streamline Card Processing Service" (to increase the number of outlets accepting the cards) and samples of window stickers and a display card as used in outlets;
- IN2 - various corporate profile publications along with dates indicating the approximate date of circulation in the UK (not all bear dates within the relevant timeframe);
- IN3 - samples of in-house magazines which are circulated to, inter alia, the merchant network;
- IN4 - promotional material supplied to cardholders showing where the cards can be used (again approximate dates of circulation are given). A large number of the dates given are after 1996;
- IN5 - application forms relating to different cards offered by the opponents and said to have been available in 1990;

IN6 - information on outlets in the UK which accept the opponents' credit cards. Specifically there is the UK JCB Merchant Directory circulated in approximately 1990 and an extract from a list of merchants showing some 500 of the current 350,000 merchants in this country.

12. There is also a witness statement by Hazel Hearn, a registered trade mark attorney employed by Abel & Imray. She exhibits (HH1) an extract from the Trade Mark Registry file relating to No. 2054597. This is a 'Summary of Evidence' sheet which, in her view, indicates that the evidence filed in support of the application did not support the claim to have used the mark on all the services for which the application was subsequently accepted.

Applicants' evidence

13. The applicants filed two statutory declarations in support of their case. The first is by David John Burgess, the Managing Director of JCB Finance Ltd. He exhibits a copy of the declaration he submitted during the course of the examination of No. 2054597.

14. Mr Burgess says that JC Bamford Excavators Ltd is the owner of a substantial number of trade mark registrations in the UK and abroad for marks comprising or including the letters JCB (details are exhibited at DJB1). These relate primarily to the applicants' core business which is concerned with the manufacture of earth moving machines such as excavating and loading machines and agricultural type vehicles.

15. Mr Burgess says that the turnover for the companies of the JCB Group in the years ended 1993 and 1994 was about £400 million and £564 million respectively. Exhibited at DJB2 are the Group's business reviews for these years.

16. JCB Finance Ltd is part owned by the applicants and was established in 1970. Up until 1998 it was called JCB Credit Ltd. By virtue of an agreement between the companies JCB Credit Ltd would be required to change its name if the applicants ceased to be a shareholder (Exhibit DJB3 refers).

17. Mr Burgess says that the trade mark applied for has been used in substantially the same form since 1970. Credit facilities, loans and leasing arrangements have been provided to customers since 1970. Since at least 1984 JCB Insurance Services and/or JCB Insurance Services Ltd (a JCB Group company) have offered insurance products too. Financial advice is offered on the best way to finance the purchase or lease of plant. Examples of promotional literature, advertisements and business stationery used over the past 20 years are exhibited at DJB4 along with current materials at DJB5.

18. He says that his company's turnover in financial and insurance services in the UK over the 5 years preceding the date of the application was substantial. The majority of the turnover is said to be attributable to retail sales, ie. finance and insurance products sold to the general public (retail) whilst other products have been sold to dealers etc. appointed by the applicant to sell the applicants' core business products, to employees etc.. The figures for the 5 years preceding the date of the application are as follows:

Year	Retail Sales	Total	Number of Retail Transactions
1995	£133.4 million	£190 million	5181
1994	£132.9 million	£166 million	5322
1993	£77 million	£93.5 million	3984
1992	£61.2 million	£69 million	3261
1991	£47.9 million	£53 million	3014

The above figures are calculated at retail prices and relate exclusively to the UK.

19. The following sums are said to have been spent in promoting the trade mark in relation to financial and insurance services:

Year	Literature/ Displays	Press	Exhibitions	
1990-91	£13,475	£9,626	£2,010	£25,111
1991-92	£9,360	£7,428	£1,697	£18,485
1992-93	£6,425	£4,138	£1,505	£12,069
1993-94	£10,980	£7,481	£2,257	£20,719
1994-95	£32,601	£9,978	£3,144	£45,723
1995-96	£53,169	£22,654	£4,950	£80,773

20. Mr Burgess says that, whilst the company's business relates primarily to the financing and insurance of the purchase of plant, JCB Insurance Services Ltd offers more general insurance products. Examples of promotional literature for general insurance products, such as liability insurance, motor insurance, accident, health & fire insurance etc. are exhibited at DJB6.

21. The applicants' second declarant is Mr Kenneth Dale, the Director General Manager of JCB Insurance Ltd, a position he has held since 1984.

22. Mr Dale makes a number of submissions in relation to the parties' respective businesses and the marks at issue. His main contention is that the opponents' business is essentially that of issuing credit cards and ancillary services associated therewith and not general insurance or financial services. He is also of the view that the respective marks are not so similar that they would be confused.

23. The main purpose of Mr Dale's declaration is to support the claim in Mr Burgess' evidence that, whilst the main thrust of the applicants' activity in the financial services field has been in support of their mainstream business, there has been wider use. He exhibits:

- KD1 - a 1992 brochure showing merchandised goods sold under the mark;
- KD2 - an advertisement in the Plant Managers Journal dated April 1990 where the products on offer include general insurance services;

- KD3 - an extract from Construction News dated 9 April 1987 containing a media report referring to JCB's intention to move "into more traditional forms of insurance";
- KD4 - an advertisement for JCB Insurance Services Ltd in Business East Midlands, dated June 1994;
- KD5 - correspondence with Business Monthly concerning the placing of an advertisement for JCB Insurance. Mr Dale has been unable to locate a copy of the magazine featuring the advertisement but believes it was placed;
- KD6 - an extract from PMJ magazine dated February 1990 which discusses the problems of accidents at work. JCB Insurance Services is referred to as having dealt with 2000 claims last year (presumably meaning 1989);
- KD7 - an example of a promotional brochure offering income protection insurance through Royal Insurance;
- KD8 - a copy of a JCB Insurance Services Ltd brochure from 1994. It appears to be a draft document;
- KD9 - an internal document relating to the offering of an insurance product directed generally to the self employed (dating from 1991).

24. Furthermore, Mr Dale says that contractors to whom the various insurance and financial products are primarily directed may well be customers for more general types of insurance. Hence, he suggests, promotion of the applicants' well known trade mark for the various financial and insurance products to the construction industry would in any event fix in the reader's mind an association between the applicants' mark and financial and insurance services generally.

25. That completes my review of the evidence.

26. The relevant Sections of the Act read:

Section 5(2)

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

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

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

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

Section 5(4)

“(4) 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) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

27. In relation to the first of the relative grounds, Section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

Comparison of services

28. Guidance on the approach to be adopted in comparing services can be found in the Canon case where the ECJ stated at paragraph 23:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”

I must bear in mind the notional breadth of the specifications and what it would be open to the parties to do within the specification as registered and applied for (see *Origins Natural Resources Inc v Origin Clothing Ltd*, [1995] FSR 280).

29. Both parties' specifications cover a broad range of services in Class 36. The term 'financial services' in the applicants' specification is itself an all encompassing one which is likely to embrace a wide variety of specific services of the kind included in the specification of the earlier trade mark.

30. It is clear from the actual words used that certain services are common to both specifications. Thus the 'provision of loans' and 'insurance services' appear in both. In other respects different wording is employed. However, there is, for practical purposes, very little difference between the 'provisions of loans' and the 'provision of credit'. Both can be said to involve making money available (usually at interest) for a period of time for the purchase of goods. Furthermore the applicants' evidence confirms that 'financial services relating to the supply, distribution, purchase, leasing, lease-purchasing of machines and vehicles' is a way of describing the various financing schemes which customers are offered as a means of buying or leasing goods. They are, within the meaning of the CANON guidance, complementary or alternative methods of achieving the same end. It seems inescapable that all the above-mentioned services of the applicants are either identical or similar to 'provision of loans' in the opponents' specification.

Distinctive character of the opponents' earlier trade mark

31. The distinctive character of an earlier trade mark is a factor to be borne in mind in coming to a view on the likelihood of confusion (*Sabel v Puma*, paragraph 24). That distinctive character can arise from the inherent nature of the mark or be acquired through use.

32. The opponents' mark consists of the letters JCB set within the context of a device mark. In use the three 'panels' of the device are usually presented in a particular colour scheme (blue, red and green) but there is no colour limitation attaching to the registration. In the form in which it is registered the device element gives the appearance of a textured or speckled background. The device clearly constitutes the largest element in the mark but the letters JCB are also prominent and likely to be a key reference point in the mark.

33. The opponents have filed evidence of use with the intention, I assume, of establishing an enhanced degree of distinctive character for their mark. In *DUONEBS Trade Mark*, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, said in relation to this point:

"In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark."

34. I understand that the opponents are suppliers of credit card services and that in practice Mr Edenborough's submissions in support of the claim to an enhanced distinctive character for the opponents' mark does not extend beyond this area of trade. The opponents compete in this respect with Visa, Mastercard and American Express. By virtue of the fact that credit

card signage is likely to be displayed at outlets that accept the cards in question, it is reasonable to infer that such signs can quickly achieve recognition. Equally it is a very large market comprising the general public at large as well as the outlets who accept the cards.

35. The opponents' evidence gives some insight into the nature and scale of their business but does little to set that business in context. I note that much of the material filed in evidence is of global application (the Company Profile documents at IN2 and the World Reports at IN3). Where there is material directed more specifically at the UK market (Exhibit IN4 for instance) it is often bilingual, Japanese and English, suggesting that it is aimed at Japanese visitors to this country or Japanese nationals working here (though I have no reason to suppose that UK nationals would not also be welcomed as customers). That view of the matter is also consistent with some of the material in Exhibit IN1 containing advertisements in Japanese magazines promoting the opponents' services to prospective travellers.

36. However even if that is too restricted a view of the matter the turnover figures in themselves do little to persuade me that the opponents' mark has achieved the sort of recognition envisaged in *DUONEBS*. Turnover (the value of customer transactions) over the last five years averages about £20 million. That strikes me as a relatively small sum in the context of what must be a very large area of trade indeed. Customer numbers and market share figures have not been given. I am not prepared to accept that, on the basis of the information available, the opponents' mark can be said to have acquired an enhanced degree of distinctive character in this country. Equally, bearing in mind the composite nature of the mark, I consider that it possesses a reasonably high degree of inherent distinctiveness.

Similarity of marks

37. The visual, aural and conceptual similarities of the marks must be assessed by reference to their overall impressions bearing in mind their distinctive and dominant components (*Sabel v Puma*, paragraph 23); the matter must be judged through the eyes of the average consumer who is deemed to be reasonably well informed, circumspect and observant but who rarely encounters marks side by side and may have to rely on imperfect recollection (*Sabel v Puma*, paragraph 23 and *Lloyd Schuhfabrik v Klijsen*, paragraph 27); furthermore the average consumer normally perceives a mark as a whole and does not analyse its details (*Sabel v Puma*, paragraph 23).

38. I have commented above on the opponents' earlier trade mark. The applied for mark consists of the letters JCB set in a line border in the form of a trapezium with rounded corners. The letters appear to recede somewhat from left to right giving a slight sense of depth to the mark. The mark is, therefore, more than simply the letters JCB. Nevertheless the letters are by far the strongest and dominant element in the mark.

39. From a visual standpoint I think it unlikely that the average consumer (individuals or corporate customers) would fail to notice the device element in the opponents' mark. It cannot be dismissed as mere peripheral decoration. It also provides the setting for the letters JCB. These letters are likely, therefore, to be an important part of the visual perception of both marks. The other features of presentation (which are stronger in the case of the opponents' mark) go some way to counterbalancing the impact of the letters themselves.

40. Phonetically it is reasonable to suppose that both marks will be referred to by reference to the letters JCB. I say this because the device element of the opponents' mark does not readily lend itself to description (and hence oral reference). The stylistic features of the applied for mark are not particularly strong and are even less likely to feature in oral references to that mark.

41. Conceptually too it is the combination of letters that is likely to make most impact on the average consumer. If there is a 'concept' or idea behind the other presentational features of the respective marks it is not immediately apparent what it is or how it would influence consumers' perceptions.

42. Taking the above factors into account I conclude that the marks are distinguishable on a side by side comparison. But the authorities caution against such an approach. Marks are more often encountered sequentially rather than concurrently. Similarity must also be assessed by reference to distinctive and dominant features. The fact that both marks contain the letters JCB as a primary distinguishing element must lead to a degree of similarity.

Likelihood of confusion

43. Both Counsel referred me to the decision of Geoffrey Hobbs QC, sitting as the Appointed Person in *Raleigh International Trade Mark* [2001] RPC 202. Mr Hobbs observed that:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be to determine the net effect of the given similarities and differences.”

44. Mr Mitcheson made two important submissions that must be factored into my consideration of the issue of likelihood of confusion. The first was that there has to be relevant confusion. Mere association, in the sense that one mark brings the other to mind but does not result in confusion as to trade origin, is not enough (*Sabel v Puma*, paragraph 26). The second was that financial services of the kind at issue here are usually bought with some care and it follows that the risk of confusion is much reduced. In other words these services are at the opposition end of the spectrum from cheaper goods which might be casual purchases subject to less care and attention.

45. I do not understand Mr Edenborough to demur particularly from the latter point or indeed the former so far as it goes though he rightly reminded me of the distinction between confusion and misrepresentation in the sense that confusion can arise whenever the earlier or later mark is confused with the other.

46. It is also part of the applicants' case that they have used their mark in relation to financing services from a time (1970) which precedes the date when the opponents commenced use in the UK. They point out that the opponents have produced no evidence of actual confusion having occurred.

47. That brings me to Counsels' submissions on the effect in law of honest concurrent use and their respective analyses of the evidence bearing on the issue. I should say at this point that the publication of application No. 2054597 in the Trade Marks Journal indicated that it was proceeding on the basis of honest concurrent use with registration No. 1296950, that is to say the earlier trade mark relied on by the opponents. Mr Edenborough, therefore, started from the proposition that once an opposition was brought against an application that had proceeded to advertisement by virtue of honest concurrent use, then refusal became mandatory. He relied for this purpose on *Road Tech Computer Systems Ltd v Unison Software (UK) Ltd*, [1996] FSR 805 (the *ROAD RUNNER* case). He acknowledged that in CODAS Trade Mark [2001] RPC 240 a Registry Hearing Officer had considered the *ROAD RUNNER* case but taken the view that, in relation to Section 5(2), refusal was not mandatory. The position adopted by the Hearing Officer was that the fact of honest concurrent use was relevant to the extent that it might cast light on the issue of likelihood of confusion. The Hearing Officer's reasoning can be found at pages 246 to 248 of the CODAS case.

48. The Registry set out its position on honest concurrent use following the *ROAD RUNNER* case in a notice in Trade Marks Journal No. 6171 (copy attached as an Annex to this decision). The notice accepts that Mr Justice Walker's (as he then was) findings in *ROAD RUNNER* do indeed have the effect of making refusal mandatory under Section 5(1) (identical marks/identical goods or services) even if an applicant claims honest concurrent use. *ROAD RUNNER* was a case involving Section 10(1) infringement. The latter Section employs comparable wording to Section 5(1). As the Trade Marks Journal notice suggests, it is not considered that *ROAD RUNNER* should be construed as dealing with the legal effect of honest concurrent use when applied in the context of Section 5(2) of the Act. I propose, therefore, to follow CODAS and consider the effect of the applicants' honest concurrent use on the issue of likelihood of confusion.

49. There is some recognition on the opponents' part that the applicants have a trade of some duration in relation to financial services linked to their core activities as manufacturers of earth moving equipment and agricultural vehicles. Thus Mr Nakanishi says:

“In my view, the applicant has failed to provide evidence of use of its Trade Mark in respect of financial services other than financial services relating to the supply, distribution, purchase, leasing, lease purchasing and insurance of machines and vehicles and is not entitled to registration of its trade mark for financial services in general.”

50. The point was picked up in Mr Edenborough's skeleton argument:

“In fact, the evidence adduced by Excavators shows that it has only provided a very limited range of services. In particular, it has only provided insurance and finance for vehicles and related plant. Further, in exhibit DJB4, it states that “only JCB Credit has 25 years experience in providing finance exclusively to the construction industry.”, and “... working exclusively in the same industry as you [i.e. construction].” Thus, any claims to providing a wider range of services is wrong and misleading.”

51. It seems from submissions made at the hearing in relation to costs (see below) that there was at one point correspondence between the parties' professional representatives in which the opponents offered to withdraw the opposition if the applicants were to limit their specification along the above lines. That did not happen and the applicants have persisted with their more broadly based claim.

52. I do not understand the opponents to dispute that the applicants have for some considerable time offered financial packages to customers for their earthmoving equipment and agricultural vehicles. The main documentary evidence in support of this is Exhibit DJB4. Not all the pages/documents within this exhibit carry dates and a few may be after the relevant date. There is enough material to substantiate the nature, extent and duration of the trade in a way that is broadly consistent with the claims made in Mr Burgess' declaration. Thus an advertisement for JCB Credit in an East Midland Chamber of Commerce publication from 1996 refers to JCB's 25 years experience in construction finance. The agreement itself between the applicants and JCB Credit is dated February 1970. There are other documents that can be placed within the relevant timeframe as a result of internal references to the expiry date of offers and payment dates.

53. Of particular relevance in providing a condensed history of JCB Credit's operations is the 'Brief Introduction' document in Exhibit DJB4. The business is described in the following terms:

“JCB Credit Ltd was established in 1969 to finance the retail sale of new and used JCB equipment and for the provision of stocking facilities for JCB dealers.

JCB was the first UK earthmoving equipment company to set up its own credit organisation (a move since copied by its competitors) and success has been enormous.

In its first year of operation, JCB Credit achieved a turnover of £900,000 providing finance facilities to 250 customers. To date it has provided finance facilities to over 25,000 customers ranging from Owner Operators and private companies to Local Authorities and nationalised industries. Its current outstandings on hire purchase and leasing contracts stand at a staggering £50 million.

The company finances over 40% of all new JCB retails in the UK, almost 50% of backhoe loaders and after reviewing all other forms of finance available, 87 out of every 100 customers who buy their JCBs on finance choose JCB Credit.

A substantial Finance House in its own right, JCB Credit is a member of the Finance Houses Association and was the first in-house finance company to be recorded in *The Times* 'Top 1000' companies in 1984.

As part of the widening of the financial services which it provides, JCB Credit has recently introduced the JCB Plantmaster Insurance Policy through JCB Insurance Services

54. Subsequent pages outline examples of the sort of financial packages on offer as inducements to purchase JCB products. I note that there are outlines of, inter alia, instalment purchase plans, credit sales, overdraft purchase schemes, contract hire packages and various leasing arrangements. Many of the documents in Exhibits DJB4 and 5 also refer to insurance packages linked to the various financial plans. That too is consistent with the statement made

by Mr Burgess in his covering declaration that “..... the insurance services offered are primarily for insuring the financial products provided by my company, or for insuring the plant bought with the aid of financial services offered by my company”. Interpretation of the turnover figures quoted by Mr Burgess is less easy but from submissions at the hearing and the statements in the evidence itself I understand the figures to represent the value of the equipment sold by the opponents which is in turn financed or insured by JCB Finance. I should just add that I am satisfied that the services in question have been supplied under the mark that is the subject of the application in suit.

55. I now turn to the evidence bearing on the applicants’ claim to have used their mark and to be entitled to registration, in respect of a broader range of general financial and insurance products. The evidence dealing with this consists of claims in Mr Burgess’ declaration at 2DJB1 and Exhibit DJB6 together with Mr Dale’s evidence and Exhibits KD2 to 9.

56. It is said that this wider trade grew out of the core business dealing with the sale, financing and insuring of the applicants’ products. Exhibit DJB6 gives some indication of how the range of insurance products has extended from insurance of the equipment itself to, for instance, the provision of personal accident cover, health insurance, contractors all risk, liability cover etc. However, the evidence does little to substantiate the extent and duration of this side of the business. The main points are:

- there is no attempt to quantify the scale and extent of the business in this wider area of trade;
- it appears from the exhibits to be mainly insurance services rather than financial services;
- there is a suggestion in the Construction News press article at KD3 that the applicants’ wider ambitions can be dated to at least 1987 but
- some of the exhibits are after the relevant date (parts of DJB6 for instance are dated March or October 1999) and many are from a date only shortly before the material date (other parts of DJB6 are from December 1995, KD5 is dated August 1995, KD6 is from December 1995);
- some of the exhibits appear to be internal or draft documents (KD8 and KD9);
- most of the material suggests that JCB has concentrated on offering the existing customer base a wider range of insurance products rather than attempting to break into the general insurance market. Furthermore the channels through which this trade has been conducted appear to be largely those used for the mainstream business;
- taken as a whole the material supplied consists of indications that a wider trade is being built up rather than properly substantiating the extent and scope of that trade. The press reports at KD3 and KD6 for instance, seem to me to be secondary indicators rather than primary evidence of what has taken place.

57. The result is that I find the opponents' criticisms of the applicants' claim to a wider trade to be well founded. This part of the applicants' evidence falls some way short of substantiating the claims made.

58. In coming to an overall view on the issue of likelihood of confusion I bear in mind particularly the similarity between the marks having regard to one of the key components; the fact that identical and/or similar services are involved; the degree of care likely to be exercised in the purchase of financial and insurance services; and the applicants' long standing trade in relation to financial and insurance packages for their core products and the opponents' acknowledgement of this trade. I do not consider that there can be said to be a likelihood of confusion in respect of this particular trade. The same cannot be said about the wider range of services contained in the specification applied for.

59. Before considering the consequences of the above finding I should comment briefly on the other ground of opposition under Section 5(4)(a) of the Act. In his skeleton argument Mr Edenborough indicated that:

“..... while JCB does not withdraw its allegation based upon section 5(4)(a), it accepts that if it cannot oppose successfully under section 5(2)(b), then it cannot independently succeed under section 5(4)(a).”

60. It is fair to say that the opponents' case can be no wider under Section 5(4)(a) and, based on their actual use, is arguably narrower. However the ground, whilst not given up, was sensibly not pursued as a separate matter at the hearing. I do not propose to comment on it further.

61. The application will be allowed to proceed if, within 28 days of the expiry of the appeal period, the applicants file a Form TM21 restricting their specification as follows:

“Financial services relating to the supply, distribution, purchase, leasing and lease-purchasing of construction or agricultural machines and construction or agricultural vehicles; insurance of construction or agricultural machines and construction or agricultural vehicles.”

If they do not do so the application will be refused in its entirety.

62. Both sides can say that they have achieved some success. Mr Edenborough drew my attention to an offer made by the opponents to dispose of the proceedings if the applicants were prepared to limit their specification. He submitted that if in the event the opponents were more successful than this offer then the applicants should be penalised in costs and a contribution off the normal scale would be appropriate. In the event my above decision, if accepted, will have resulted in a specification which approximates to that contained in the opponents' offer. In these circumstances I consider that the opponents are entitled to a partial

award but based on the published scale. I order the applicants to pay the opponents the sum of £1000. 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 03 day of January 2003

**M REYNOLDS
For the Registrar
The Comptroller-General**

Annex: Available as 'order a copy'