BLO/125/20

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS
UK REGISTRATION NO. 3037217
IN THE NAME OF FUTURE FINANCE LOAN CORPORATION LIMITED
IN RESPECT OF THE TRADE MARK:

FUTURE FINANCE

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF
UNDER NO. 502290 BY FUTURE GROUP LIMITED

AND
IN THE MATTER OF UK APPLICATION NO. 3198218

IN THE NAME OF FUTURE GROUP LIMITED
IN RESPECT OF THE TRADE MARK

AN OPPOSITION THEREOF UNDER NO. 408672
BY FUTURE FINANCE LOAN CORPORATION LIMITED

Background and pleadings

The invalidity

1) On 9 January 2014, Future Finance Loan Corporation Limited (hereafter "LOAN") applied to register the trade mark **FUTURE FINANCE** in the UK. It was allocated trade mark number 3037217, accepted and published in the Trade Marks Journal on 31 January 2014. It subsequently matured to registration on 11 April 2014 in respect of the following services:

> Class 36: *Education Finance; providing loans to students to help pay for the costs of higher education.*

2) On 15 October 2018, Future Group Limited (hereafter "GROUP") applied to invalidate the registration. The invalidation is based on s.5(4)(a) and (b) of the Trade Marks Act 1994 ("the Act"). It claims to have been providing financial services for the signs FUTURE and FUTURE FINANCE since 2009, and FUTURE LOANS, FUTURE MORTGAGES, FUTURE GROUP, FUTURE INVOICE FINANCE and FUTURE MANAGEMENT SERVICES since 2010, and acquired goodwill under these signs. It therefore argues that use of the applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

3) In relation to the s.5(4)(b) claim, GROUP asserts that it is the holder of the copyright in the works shown below. It states that it "gains the benefit of the signs noted in the above table via license from Mr Craig Anthony Dempster and their use of each of the above noted signs constitute a[n] "*copyright work*" in accordance with s5(4)(b) TMA 94."

Mark	S5(4)(a)	S5(4)(b)	
(1) 		Date of 1st Use: 2009/2010	Joint authors: Craig Dempster, Denny Lane & Alan Luce 2009. Nationality of joint authors British. Joint authors domiciled/resident in the UK at the time of work created.
(2) 			
(3) 			
(4) 			
(5) 		Date of 1st Use: 2010/2011	First publication of work took place in the UK in 2009.
(6) 		Date of 1st Use: 2010	Current owner of the works is Craig Anthony Dempster and the ownership was transferred by assignment.
(7) 			
(8)  			

4) LOAN filed a counterstatement denying the claims made. It claims that the evidence of Jersey-based companies is irrelevant as Jersey is not part of the UK.

The opposition

5) On 23 November 2016, GROUP applied to register the following trade mark in the UK:

It was accepted and published in the Trade Marks Journal on 9 December 2016 in respect of the following services:

> *Class 35: Presentation of goods on communications media, for retail purposes; Business services in the field of finance; Consultancy, advisory and information services relating to the aforesaid.*
>
> *Class 36: Insurance; financial affairs; monetary affairs; sureties; portfolio management services; brokerage services; business loans; business funding; financing of home improvements; financing of plant and machinery purchases; financing of vehicular purchases (land, sea or air); financing of office/IT equipment purchases; provision of equity release schemes; asset valuation and funding services; debt consolidation services; secured loans; mortgage loans; arranging and guaranteeing loans; loans against security; provision of industrial loans, home loans, commercial loans, instalment loans; mortgage loans and financing services; secured loans to fund the provision of bailment of motor vehicles; secured loans to fund the provision of contract hire of vehicles; Consultancy, advisory and information services relating to the aforesaid.*

6) On 2 March 2017 LOAN opposed the application on the basis of s.5(2)(b) and 5(4)(a) of the Act. The s.5(2)(b) claim is on the basis of its earlier UK trade mark registration no. 3037217, which is the subject of the invalidation action set out above. LOAN also relies upon its earlier EUTM no. 14351555, which is currently the subject of a cancellation claim before the EUIPO. Pertinent details of this earlier registration are as follows:

> **Mark:** FUTURE FINANCE
> **Services:** Class 36 Loans [financing]
> **Filing date:** 10 July 2015
> **Seniority date**[1]**:** 9 January 2014
> **Publication date:** 12 August 2015
> **Date of entry in register:** 19 November 2015

[1] Seniority is based on UK trade mark registration no. 3037217

7) In relation to LOAN's s.5(4)(a) claim, this is based on its alleged earlier rights in the sign FUTURE FINANCE. It claims to have been providing financial services throughout the UK since 2013 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

8) Both sides have filed extensive evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. A hearing took place via video-link on 13 November 2019, with LOAN represented by Mr Aaron Wood of DLA Piper UK LLP. GROUP did not attend but filed written submissions in lieu.

GROUP'S evidence

9) GROUP's evidence consists of a witness statement and 35 accompanying exhibits. The witness statement is from Mr Craig Anthony Dempster who is the founder and director of GROUP, a position he has held since 5 September 2015 when company number 119479 was registered before the Jersey Financial Services Commission ("JFSC").

10) Mr Dempster states that since 25 February 2009 he is also the co-founder and Director of Future Finance Limited (company registration no 102699) which comprises of Future Finance Limited, Future Loans Limited, Future Loans (UK) Limited and other associated entities whose registered office is in Jersey. He states that use of FUTURE FINANCE began in 2009 "…in the Bailiwick of Jersey but quickly extended to the Isle of Man, the United Kingdom, the Bailiwick of Guernsey, and Mauritius."[2]

11) He provides the following information in respect of the companies based in Jersey, the Isle of Man and UK and states that GROUP operated under these companies establishing a commercial presence in the financial services arena from Future House in the Isle of Man or Palladium House in London since 2009. Mr Dempster states that

[2] Paragraph 6

the “services being offered under the FUTURE banner being financial services such as loans, asset financing and property lending.”[3]

Jersey

12) As previously stated, Mr Dempster claims that FUTURE FINANCE has been used continuously since 2009 when Future Finance Limited was registered as a company (no. 102699[4]). The other Jersey based companies are:

- Future Loans Limited registered on 24 May 2010 under no. 105781[5];
- Future Management Services Limited on 10 August 2010 under no. 106270[6];
- Future Invoice Finance PCC on 8 October 2010 under no. 106677[7];
- Future Group Holdings Limited on 14 September 2015 under no. 119479[8].

Isle of Man

13) In relation to the Isle of Man, Mr Dempster submits a company registration certificate for Future Loans (IOM) Limited which was registered under no. 126587C on 20 December 2011.[9] He also submits a certificate of registration[10] under the Moneylenders Act 1991 from the Isle of Man Office of Fair Trading which confirms its registration. It includes an expiry date of 13 January 2015. The exhibit also includes a covering letter which acknowledges receipt of the application, which is dated 12 December 2011 and so registration appears to have been granted shortly after this date.

[3] Paragraph 3
[4] Exhibit CAD1 includes a Jersey Financial Services Commission Companies Registry certificate for Future Finance Limited
[5] Exhibit CAD2
[6] Exhibit CAD3
[7] Exhibit CAD4 – it is noted that Mr Dempster refers to this exhibit as relating to “Future Finance Limited, company no 102699” but this has already been covered and so I take it to be a typographical error.
[8] Exhibit CAD8
[9] Exhibit CAD5
[10] Exhibit CAD10

14) Exhibit CAD7 to the witness statement is an Isle of Man Companies Registry registration certificate for "FUTURE FINANCE". It was registered on 10 August 2012 under no 023954B. This company was also registered in the Isle of Man under the Moneylenders Act 1991. It is not clear when the application was filed but the exhibit CAD10 includes a letter dated 12 December 2011 from the Isle of Man Office of Fair Trading confirming that subject to satisfactory checks, the application shall be approved.

UK

15) In relation to the UK, Mr Dempster submits a registration certificate[11] from the Companies House register for England and Wales showing that Future Loans (UK) Limited (company no. 8127771) was registered on 3 July 2012.

16) Exhibit CAD11 to the witness statement is described[12] as: "comprising 1 page, Consumer Credit License dating from 3rd July 2012 issued from the UK Office of Fair Trading authorising Craig Dempster, Director of Future Loans (UK) Limited to carry out business in the UK in accordance with the Banking Act 1987, Business Names Act 1985, Financial Services and Markets Act 2000 and Insurance Brokers (Registration) Act 1977". During the hearing, Mr Wood highlighted that the form is an application for a licence rather than a licence itself. I further note that the only reference to "Future" is in Mr Dempster's email handle, i.e. @future.je

17) Mr Dempster states that exhibit CAD12 to the witness statement consists of a 6-page internet extract from the UK Financial Conduct Authority's ("FCA") website which is described as "confirming the Financial Conduct Authority Consumer Credit Authorisation of Future Loans (IOM) Limited". However, upon closer inspection of the document it refers to Future Loans (UK) Limited and not Future Loans (IOM) Limited, with a principal place of business being the UK. The extract also lists Future Loans (UK) Limited as a "Trading/brand names" with an effective date of 1 November 2013. Mr Wood referred to another effective date as being 16 October 2014 (page 58) and

[11] Exhibit CAD6
[12] Para. 5

so I am unclear which is the correct date. However, I note that exhibit CAD25, which is GROUPS's investor brochure dated December 2014, states that it got FCA approval in 2014.

Marketing

18) Mr Dempster has provided various items of marketing material, but they mainly relate to Jersey. For example, exhibits CAD13 and CAD14 to the witness statement consist of what Mr Dempster describes as examples of our FUTURE FINANCE business cards and compliment slips from 13 March 2009. The exhibits appear to be the designs of business cards and compliment slips, which I do not have any reason to doubt would have been subsequently used. However, the cards include the mark FUTURE FINANCE and include a Jersey address and contact details, i.e. includes a .je domain name. Therefore, they are not UK based organisations. Exhibit CAD16 comprises of an example letter headed paper dated 20 May 2010. It includes the Jersey address and contact details.

19) Exhibit CAD15 to the witness statement consists of a marketing brochure dated 1 October 2009 which lists its contact details as being in Jersey. It does include the mark FUTURE FINANCE, but no distribution figures have been provided.

20) Exhibits CAD 18 - 20 are examples of marketing material dated 19 July 2012, 21 August 2012 and 12 October 2012 respectively. They include the mark FUTURE FINANCE but are, once again, directed to Jersey.

21) Exhibit CAD17 consists of a draft newsletter dated January 2011. It includes the mark FUTURE FINANCE and its "contact us" details are a Jersey address. Much of the text is *Lorem ipsum* and not in its final version. Further, there was no confirmation that the newsletter was sent out and, if so, who to.

22) Exhibit CAD24 is a promotional "Business release" dated 3 April 2014, i.e. after the relevant date in the invalidation proceedings. Mr Dempster specifically refers to ongoing financial transactions in the UK. More specifically, the article states that "Future Finance has facilitated a large number of UK short-term transactions, lending

local peoples funds into the London property market, which has been providing excellent returns for Jersey clients." However, this exhibit, which runs to over 150 pages, is largely aimed at activities which have taken place in either Jersey or the Isle of Man. One reference to the UK was highlighted by Mr Wood. It refers to an agreement entered into by Future Loans UK Limited with a London address. However, it does not include the other party's name or, more importantly, whether they are based in the UK. Further, it includes a "Date of Agreement" as 10 November 2014.

The loan book

23) Much of GROUP's case relates to a loan book worth £15m which it purchased from Citifinancial Europe Plc ("Citifinancial"). A loan book is essentially a collection of debts for which GROUP has assumed responsibility from Citifinancial. To further verify the purchase of the loan book, Mr Dempster submits at exhibit CAD29 a copy of the Asset Purchase Agreement which is dated 12 October 2012. This is between Citifinancial based in London and Future Loans Limited (company no. 105781) which includes an address in Jersey. Within the Agreement are letter templates which notify the customer of their loan being transferred from Citifinancial to Future Loans Limited, which includes a Jersey address. He states that this "confirms knowledge of our FUTURE brands in the UK during this period (and beyond) as the Citi Group Headquarters are based in London.".[13] Further, there is a letter from Citi Financial dated 9 November 2012 to a "UK based customer"[14] informing them there is a change of ownership of their loan account, i.e. from Citi Financial to Future Finance[15]. The letter states that if the account holder has any queries they should contact Future Loans in Jersey. Mr Dempster also submits of an article[16] from the Jersey Evening Post which is available in paper form in Jersey and online for UK and Isle of Man readers. It is dated 26 April 2012. Mr Dempster draws particular attention to its expansion of its Isle of Man premises. The article also states that "Future Loans Ltd, a member of the Future Group of Companies, has acquired the Isle of Man consumer loan book of Citi Financial for an undisclosed sum." It also states that "this latest

[13] Para. 14
[14] Para. 19
[15] Exhibit CAD34
[16] Exhibit CAD27

acquisition follows the successful purchase of Citibank's Channel Islands loan book in 2011. In 2011, Future Group advanced over £20million to local customers across the islands."

24) The customer names have been redacted and no address details have been provided, however GROUP have submitted a spreadsheet[17] which details the purpose of the loan, the amount, plus the start and end dates. The earliest loan start date is 10 July 2012. The names of the loan recipients and their addresses have been redacted but the "sentinel branch" is listed as the Isle of Man.

25) Exhibit CAD28 is a lease agreement dated 12 August 2012 relating to an Isle of Man office.

26) Exhibit CAD34 consists of "samples of loans agreements covering UK based customers which clearly shows the FUTURE FINANCE and FUTURE LOANS trade mark, trade name and company name."[18] Apart from the aforementioned statement made by Mr Dempster, there is no real explanation of what the various invoices, emails and "Work in Progress reports" demonstrate. It is noted that there is an email dated 6 December 2012 from GROUP to an unknown party which states, "please find attached letter that [information redacted] received from CitiFinancial confirming the transition to his loan account to Future Loans."

27) Exhibit CAD33 runs to over 150 pages long and is described by Mr Dempster as "the 2012 Isle of Man marketing plan, web shot, and related discount promotional materials directed towards Moore Stephens employees based in the Isle of Man, UK, and would have been shared with other UK or EU employees."[19] He also states that "Moore Stephens" has offices in the UK and EU. The only extract I could see that relates to Moore Stephens is the following undated advert:

[17] Exhibit CAD35
[18] Para. 19
[19] Ditto

Future Finance Lending Reviews available to all staff at Moore Stephens

Future Finance is a new name to the Isle of Man, and as part of our launch we would like to offer all staff at Moore Stephens a discount on our standard Personal Loan rate for new or existing finance.

As an illustration a £5,000 Loan over 3 years would require monthly repayments of £173.96 or £40.14 per week (Indicative APR of 13.24% although all rates are subject to status). In addition we can provide you with a quotation for any other lending needs you may have.

All applications are subject to assessment. It is simply a case of completing the attached 2 page application form, seal it in an envelope with 3 months Bank statements, photo ID and Address confirmation and drop us an E-Mail, and we can arrange to collect at your Reception on the same day. If you would prefer to discuss your proposal with us in person, we can either arrange to meet at your office, or you are welcome to attend our office at a time convenient to you.

We would normally expect to have a decision for you within 24/36 hours.

For further information please contact Geoff Gelling at geoff.gelling@future.je or on the telephone number, or address detailed above.

Whilst Mr Dempster states that the material is directed at Moore Stephens employees, he does not state how many employees it has, the number in the Isle of Man or the UK or whether any trade was generated from this advertisement.

28) The exhibit also consists of numerous invoices which he states, “clearly shows the FUTURE FINANCE trade mark, trade name and company name.”[20] Many of the invoices are from what appears to be a debt collection company in the Isle of Man. Whilst the specific addresses have been redacted I am satisfied that they relate to debtors on the Isle of Man since it is highly unlikely that debt collectors there would be appointed for debtors in another territory.

LOAN’s evidence

29) LOAN’s evidence consists of eight witness statements, most of which include exhibits. Seven of the witness statements relate to instances of actual confusion, which I shall address later.

30) The first exhibit is from Ms Mary O’Loughlin who is LOAN’s general counsel and company secretary. A position she has held since February 2017. Prior to this Ms O’Loughlin was legal director for LOAN since August 2016.

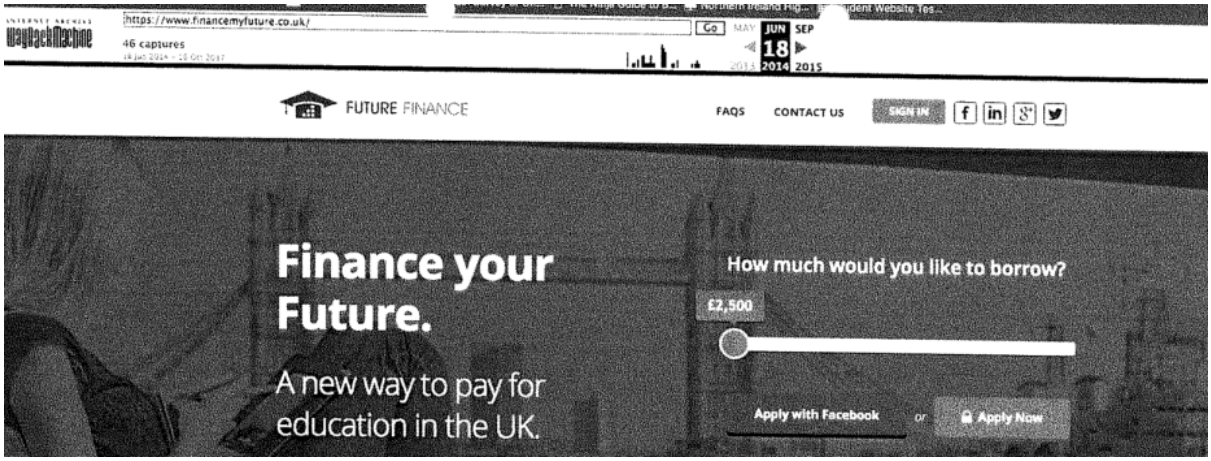
31) Ms O’Loughlin states that LOAN “is recognised as the largest specialised private student lender in the United Kingdom and the European Union. Future Finance provides financial services, in particular competitively tailored loan services, to students in the UK and EU. Although we are Dublin-based, where we employ more than 50 people, we started out providing student loans in the UK and Germany. At the end of 2016, we had a loan book of £50 million, having provided funds to more than 7,000 students in the UK and Germany.”[21]

32) Future Finance Loan Corporation was incorporated at the Irish Companies Registration Office on 7 May 2013.[22] It was subsequently authorised for consumer credit activities in the UK on 13 November 2013 by the Office of Fair Trading, the precursor to the Financial Conduct Authority (“FCA”) under reference number 661722. Exhibit MOL-3 to the witness statement is a letter dated 18 March 2014 from the OFT

[20] Ditto
[21] Para. 5
[22] Exhibit MOL-2 is an extract from the Register confirming this.

to the licensee “Future Finance Loan Corporation Limited”. The licence number is 661722 and refers to company number 527170 with a principal place of business being Dublin and a registered office in County Cork. As stated by Ms O’Loughlin, the letter states that the “original licence was issued or renewed on 13 November 2013”.

33) Ms O’Loughlin states that the FUTURE FINANCE name was first “conceived”[23] in or around March 2013, when they started buying various domain names, including futurefinco.com, futurefincorp.com, futurefinancecorp.com. No details confirming the aforementioned websites have been filed. However, Ms O’Loughlin has submitted an internet archive screenshot for financemyfuture.co.uk which she claims to have purchased on 27 January 2014, but the screenshot is dated June 2014. It includes the words FUTURE FINANCE with a small device.



34) Ms O’Loughlin states that LOAN provided its first UK student loan in May 2014 to a trainee nurse studying at the University of Surrey. The student was loaned £2,500.

35) Exhibit MOL-7 consists of an article from the UK national edition of the Metro newspaper dated 14 October 2014. The article describes the basic business model of Future Finance student loans, and includes an interview with Mr Brian Norton, CEO of Future Finance “which is regulated by the Financial Conduct Authority in the UK”. The article states that the basic requirements for students to obtain loans are that they are UK under or post-graduate students, over 18 and normally resident in the UK.

[23] Para. 7

36) The exhibit also includes a number of other press articles which Ms O'Loughlin argues demonstrate that LOAN has a reputation in the name FUTURE FINANCE in the UK. There are numerous press articles and I shall not list them all. However, I note that a number of the articles refer to LOAN being set up in May 2014[24] and have subsequently provided loans to thousands of students. The earliest article is dated 14 October 2014 from the Metro newspaper. The article describes the basic business model of Future Finance, and includes an interview with Mr Brian Norton, CEO of Future Finance.

37) In terms of advertising, Ms O'Loughlin provides the following "Advertising spend" which she states is for the UK. I duplicate the table provided below:

	2015	**2016**	**2017**
Online	€1,193,230 (approx. £1,063,710)	€2,287,466 (approx. £2,039,330)	€336,756 (approx. £300,230)
Offline	€125,806 (approx. £112,160	€93,884 (approx. £83,700)	€42,101 (approx. £37,540)

38) Ms O'Loughlin then details various instances of actual consumer confusion which are covered by the remaining seven witness statements.

39) The remaining seven witness statements are all aimed at providing examples of actual confusion. I summarise them briefly as follows:

40) Ms O'Sullivan is the senior analyst, servicing and collections for LOAN, a position she has held since June 2014. Ms O'Sullivan states that she deals with customers over the telephone and by email on a daily basis. She states that "I have experienced customer confusion when on occasion, Individual Voluntary Arrangement (IVA) practitioners have sent correspondence to the following incorrect address:"[25]. She

[24] Exhibit MOL-7 - articles from the Sun and Times newspaper dated 24 September 2015 and 20 March 2016 respectively
[25] Paragraph 5

then provides an address in Jersey which it is claimed to be the GROUP's company address, as found on their website at aboutfuturefinance.com/contact-us

41) Ms O'Sullivan also states that she has "had numerous conversations with borrowers/callers in relation to The Future Group in Jersey, also seemingly trading as "Future Finance". The majority of callers appear to be people looking to claim back PPI, which we do not deal with."[26]

42) To support the contention that there are instances of actual confusion, Ms O'Sullivan submits two emails. The first is dated 9 August 2017[27], which is well after any of the relevant dates and refers to Future Finance in Jersey. The second is dated 15 April 2016[28] from Elaine O'Sullivan to two people who appear to be colleagues. The email states that "When dealing with a debt management company today for one of our borrowers, they advised they previously sent details to Future Finance, however we never received it. To cut a long story short it turns out it was sent to Future Finance in Jersey."

43) The witness statement of Ms Julie Monaghan is a senior analyst in LOAN's compliance team. She joined LOAN in August 2014 and is based in Dublin. Ms Monaghan states that "I frequently receive complaints relating to Payment Protection Insurance ("PPI") offered by The Future Group. Even though we do not offer this type of product, given that we are a regulated entity, we are still required to investigate every claim by reviewing emails and records of every caller to check if the caller or person emailing is a customer of ours. We then have to issue a response in relation to the matter." To evidence this Exhibit JM-A to the witness statement consists of 11 example emails that they have received requesting PPI information relating to loans, some dating back to 2007 but the exhibit does not include the responses issued.

44) Exhibit JM-2 consists of an email dated 13 April 2016 from an unknown party (the name has been redacted) to Mr Bhatti of LOAN complaining about refusal of their loan application. In the complaining email the customer cites various sections from

[26] Paragraph 7
[27] Exhibit EOS-1
[28] Exhibit EOS-2

GROUP's website and refers to an appointment with Mr Phil Austin, GROUP's Chairman. In the email forwarding this to Ms Monaghan dated 13 April 2016, Mr Bhatti states that "I think he is getting us confused with another company called Future Loans (UK) Limited. This company is not authorised for consumer credit in the UK.".

45) The next witness statement is from Ms Justina Benaityte who is a Customer Experience Agent at LOAN, a position she has held since June 2016. Ms Benaityte refers to telephone calls she had with customers which took place in September/October 2017. These phone calls were submitted in audio format and were the subject of a confidentiality order. Although the order means that the telephone calls cannot be made open to public inspection, I confirm that I have listened to them. The first call was made on 2 February 2018 which I accept is after the relevant date and refers to someone with a business in Mauritius. Whilst the caller did ask for Mr Craig Dempster they do refer to Future Finance in Jersey.

46) A similar telephone recording was submitted under a witness statement from Kristina Benz, a collections agent at LOAN. This particular phone call took place on 30 January 2018 and Ms Benz was referring to a company called Future Finance in Jersey. The caller does not state where she is based.

47) Sorcha Cronin works as a senior analyst for LOAN since 31 August 2015. Exhibit SC-1 is described as an example of an Individual Voluntary Arrangement which was erroneously sent to LOAN rather than GROUP. It is dated October 2017.

48) The final two exhibits are from Messrs Masterton and O'Neill. They are both LOAN employees since the summer of 2016. They both state that they have received numerous phones calls confusing LOAN with GROUP, though specific details have not been provided.

DECISION

The law

49) S.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."

50) S.47 states:

47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
(b) the registration procedure for the earlier trade mark was not completed before that date, or
(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the

purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.

The case-law

51) In *Discount Outlet v Feel Good UK,* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

> “55. The elements necessary to reach a finding of passing off are the ‘classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.
>
> 56. In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

52) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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."

Preliminary matters

53) Before I begin my assessment of the passing off claim, I shall firstly address Mr Wood's claims relating to whether use of a sign in Jersey or the Isle of Man can result in there being an actionable goodwill.

54) Jersey is not part of the United Kingdom *per se*, and Mr Wood is correct that there are no special provisions within the Act or any common law provisions extending such rights. However, the position is different in relation to the Isle of Man. Whilst I accept that the Isle of Man is not part of the United Kingdom, s.108(2) of the Act states that:

108. - (1) This Act extends to England and Wales, Scotland and Northern Ireland. (2) This Act also extends to the Isle of Man, subject to such exceptions and modifications as Her Majesty may specify by Order in Council; and subject to any such Order references in this Act to the United Kingdom shall be construed as including the Isle of Man.

55) Mr Wood preys in aid of s.2(2) of the Act which states that (emphasis added): "2(2) No proceedings lie to prevent or recover damages for the infringement of an unregistered trade mark as such; **but nothing in this Act affects the law relating to passing off** (emphasis added). As outlined in the *Hart v Relentless* case below, this provision was to bar the common law tort of infringement of unregistered trade mark which used to exist alongside the law of passing off. Accordingly, it has no bearing on the enforcement of passing off rights covered by s.5(4)(a) of the Act. Accordingly, unlike Jersey, it is possible for a s.5(4)(a) claim to succeed based on use in the Isle of Man.

The relevant dates

56) Whether there has been passing-off must be judged at a particular point (or points) in time. 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.'"

57) As outlined by the above authorities, the date for assessing a passing off claim in invalidation proceedings is typically the date the registration, the subject of the invalidation action, was applied for, in this case 9 January 2014. However, both parties claim to be the senior user. Who the senior user is and applying the correct legal approach are the central issues to this dispute. I shall begin with the law.

58) In the Court of Appeal's decision of *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220, Kitchin LJ:

> "There is a further complication, however. Under the English law of passing off, the relevant date for determining whether a claimant has established the

necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, Cadbury-Schweppes Ply Ltd v The Pub Squash Co Ltd [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-I 14/07 and T-115/07 Last Minute Network Ltd and Case R 784/2010-2 Sun Capital Partners Inc.). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began."

59) In *CASABLANCA* Trade Mark O/349/16, Mr Thomas Mitcheson QC, sitting as the Appointed Person at [35] to [37] (emphasis added).

"34. I consider that adequate guidance to determine the present case can be obtained from the authorities before the Hearing Officer and further discussed before me at the hearing. The guidance in §165 of the *Assos* case emphasises that the party opposing the application or the registration must show that, as at the date of application, a normal and fair use of the Community trade mark would have amounted to passing off. It goes on to say that if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account. The Hearing Officer clearly sought to apply this in §50 of her decision. The question raised by the Opponent is whether she did so correctly and how should the earlier use be taken into account. In particular, does such use, as the Opponent submitted, have to be sufficient to generate its own goodwill?

35. **I think it is clear from the remainder of §165 of the judgment of Kitchin LJ that generation of goodwill *by the applicant* is not required.** This is because he goes on to explain that it is the opponent who must show that he

had the necessary goodwill and reputation to render that use actionable *on the date that it* (i.e. the applicant's use) began.

36. This is entirely consistent with the more lengthy discussion of the topic in the decision of Daniel Alexander QC in the *Multisys* case (*Advanced Perimeter Systems Ltd v Keycorp Ltd* [2012] R.P.C. 14). See the passage at §§35-45 which reviews many of the authorities which were cited to me, including the earlier Croom decision of Geoffrey Hobbs QC. It is correct that, as the Opponent pointed out, §49 of Croom refers to the build up of goodwill (rather than mere use) as justifying the designation of senior user, but it does not appear that the precise point in issue in *Multisys* or the present case was in issue there, and in any event I consider that I am bound by *Assos* and I would have followed the later *Multisys* case anyway.

37. Accordingly the relevance of the activities of the applicant is limited to establishment of the date that the actionable use began. Once that date is established, the only question of goodwill arises in respect of the opponent's activities. As the Applicant in the present case pointed out, self-evidently it would only be in very exceptional circumstances that a party would have established goodwill at the point in time at which it commenced the use complained of. The establishment of goodwill would take much longer. But the authorities recognise that it is the date that the activity commenced which is the crucial one, and so in my judgment it cannot be necessary for goodwill to have been accrued at that time."

60) The guidance set out in *Assos* and *Casablanca* is clear. I must firstly establish the date LOAN's **use** began. It is not the date that LOAN acquired goodwill of its own[29]. In other words, the relevance of LOAN's use is limited to establishing the first date that Group could have taken action against the use[30]. Once this date has been established,

[29] Roger Maier, *Assos of Switzerland SA v ASOS plc, ASOS.com Limited* [2015] EWCA Civ 220 at [165].
[30] See the comments of the Appointed Person in *CASABLANCA Trade Mark* (O/349/16) at [35] to [37].

it is for GROUP to show that it had protectable goodwill prior to this date or, if this date post-dates the filing date of LOAN's trade mark application, at 9th January 2014.

When did LOAN's actionable use begin?

61) Mr Wood argues that LOAN's first use of the sign FUTURE FINANCE in the UK is 2013. Ms O'Loughlin's evidence[31] states that "We conceived of the name FUTURE FINANCE in or around March 2013, when we started buying various domain names, such as futurefinco.com, futurefincorp.cm, futurefinancecorp.com" and "The domain name financemyfuture.co.uk was purchased on 27 January 2014". Ms O'Loughlin then states that, "We have been providing student loan services in the UK since 2014" and that "We provided our first loan of £2,500 to a trainees nurse studying at the University of Surrey in May 2014."

62) I do not accept that the purchase of the domain names in March 2013 to be use of the signs in the course of trade in relation to financial services. Any party may purchase a domain name and be free from risk of action being taken against them. It is what use has been made under the domain name which could be actionable, and in the absence of evidence demonstrating that financial services (or similar thereto) were offered under a sign the same as, or similar to, FUTURE FINANCE, then this is not use that could have been restrained under the law of passing off.

63) I do consider LOAN's first loan of £2,500 in May 2014 to a UK based student to be actionable use. However, this is after the filing date of its trade mark registration, the subject of this invalidation action, and so it is not relevant. Therefore, I am satisfied that there was no actionable use of LOAN's mark prior to the relevant date of 9 January 2014.

Is GROUP the senior user?

64) Since LOAN has not demonstrated that it made any actionable use of its mark prior to the relevant date, I must now determine whether GROUP is the senior user.

[31] Para. 7

In order to be the senior user, GROUP must demonstrate that it had a protectable goodwill prior to the date that the actionable use began, as set out above.

65) It is well established that goodwill "is the attractive force that brings in custom"[32]. In terms of what is required to establish goodwill, I note that in 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 that 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."

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

[32] *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL)

> "[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."

67) I also bear in mind the guidance in *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

> "62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used "but had not acquired any significant reputation" (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

68) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

> “There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

69) *See also: Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

70) GROUP claims to have been using the signs FUTURE and FUTURE FINANCE throughout the UK for financial services since 2009. It also claims to have been using other signs since 2010.

71) Much of GROUP’s evidence relates to its business operations under the sign FUTURE FINANCE taking place in Jersey. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others,* [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 47 of the judgment) that*:*

> “I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant's business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.”

> And later said, at paragraph 52:

> “As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited in paras 21-26 and 32-36 above establish. The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In

order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere. Thus, where the claimant's business is carried on abroad, it is not enough for a claimant to show that there are people in this jurisdiction who happen to be its customers when they are abroad. However, it could be enough if the claimant could show that there were people in this jurisdiction who, by booking with, or purchasing from, an entity in this country, obtained the right to receive the claimant's service abroad. And, in such a case, the entity need not be a part or branch of the claimant: it can be someone acting for or on behalf of the claimant."

72) The claimant in that case did not have any goodwill in the UK that would give it the right to prevent BSkyB from using the name "NOW TV" in relation to its internet protocol TV service. This was because the customers for Starbucks' broadcasting services under the name NOW were based in Hong Kong. The services could not be bought here. The fact that the service was sometimes accessed via the internet by Chinese speakers in the UK did not mean that Starbucks had customers here.

73) In view of the *Starbucks* case above, it is clear that for a passing off claim to be successful, customers in the UK are required. Use made of the sign(s) in Jersey does not contribute to GROUP having a protectable goodwill in the UK and cannot be relied upon. Of course, if GROUP can demonstrate that its customers are in the UK then this would be sufficient even if GROUP is based in Jersey.

74) However, as I have previously stated, by virtue of s.108(2), GROUP may rely upon use of its sign in the Isle of Man, if that resulted in customers there or in the UK. I pause at this point to state that there was no question raised by either party that this case should be decided under Isle of Man common law. For the avoidance of doubt, even if it were to be decided under the common law of that jurisdiction, which I believe to be known as Manx Law, then my understanding is that it is the same as English common law. Accordingly, I shall proceed on the basis of the usual jurisprudence relating to s.5(4)(a), as set out above.

75) Prior to determining whether GROUP has demonstrated that it has the requisite goodwill, I shall firstly make some general observations on the evidence and claims made. The evidence is poorly presented and does not focus on the issues to be decided. It is also confusing and at times contradictory to the point that I question its credibility. I acknowledge that LOAN has not sought to cross-examine Mr Dempster and so the evidence is prima facie acceptable, but at points it inaccurately describes the exhibits and it does not provide evidence which would have been readily accessible to it.

76) For example, Mr Dempster describes exhibit CAD11 as a "Consumer Credit Licence" authorising himself to carryout business in the UK. However, upon closer inspection of the exhibit, and as highlighted by Mr Wood, the exhibit is an application for a licence rather than the licence itself. In fact, in GROUP's written submissions of 11 November 2019 it also refers to the "Licensing Application" rather than the licence. I acknowledge that the application may have been subsequently accepted, but it does beg the question why the licence was not submitted as evidence. Further, Mr Wood did point out that at the top of each page of the witness statement it includes the heading "COUNCIL REGULATION 2017/1001/EEC ("EUTMR")" which means that the witness statement has been previously used for proceedings before the EUIPO or that it is an old template which has not been updated. Another example is that exhibit CAD12 is described as referring to Future Loans (IOM) Limited though upon closer inspection it actually refers to Future Loans (UK) Limited.

77) It is argued by GROUP that under the UK IPO guidance much of its evidence was redacted, though there was no reason why they could not have left generic details of where the loan recipients are based, for example city or island names. However, nothing turns on this since I have already accepted that the customers obtained following the purchase of the loan book are based on Isle of Man which for the purposes of this decision is part of the UK. In terms of turnover, Mr Dempster states that "I would conservatively estimate our Future Group turnover between 2009 and 2015 circa £100 million and includes loans issued and brokered loans in that period."[33]

[33] Para. 23

However, the figures have not been broken down into territories or what services have been provided or where.

78) Mr Dempster states at paragraph 11 of his witness statement that "Future Finance" was set up in the Isle of Man on 10 August 2012[34]. He claims that they had a "manned" office which actively marketed FUTURE FINANCE in the Isle of Man and the UK "with an annual budget of £24,000 and a sales budget of £195,000 p.a."[35]. He goes on to state that[36] (emphasis added:

> "This entity was formed as the purchase of a loan book from CitiFinancial Europe PLC comprising over **1800 UK based clients** valued in excess of £15 million was being finalised. This purchase taking 2 years to complete. Following said purchase by Future Loan Limited, FG and/or individual companies therein services these loan agreements under FUTURE LOAN and FUTURE FINANCE."

To further evidence the purchase of the loan book, Mr Dempster submits an extract from Jersey Evening Post dated 26 April 2012. The article clearly states that "Future Loans Ltd, a member of the Future Group of Companies, has acquired the Isle of Man consumer loan book of Citi Financial for an undisclosed sum." It goes on to state that the company is opening a new office in Douglas in May 2012, so it can extend face-to-face contact. The article even includes a quote from Mr Dempster which states "The acquisition fits in very well within our existing portfolio and strategy moving forward. There is a real synergy between our client base in both Jersey and the Isle of Man. Further, the Agreement purchasing the loan book in 2011 is between Citifinancial in London and Future Finance Limited in Jersey. However, I also note from the evidence that Mr Dempster provides a spreadsheet of outstanding loans, the earliest starting on 10 July 2012. It also refers to the "sentinel branch" as being the Isle of Man. Mr Dempster states that they are customers based in the UK. However, from the evidence above it appears that the loans related to customers in the Isle of Man and Jersey. Whilst I accept for the purposes of these proceedings the Isle of Man is part of the UK,

[34] Exhibit CAD7
[35] Para. 10
[36] Para. 11

it appears that the loan book is also for Jersey and no corroborating evidence is filed to show the loan recipients are UK mainland based. Further, evidence of loans to customers in the Isle of Man (and the UK) could have been provided, including a breakdown of how many are in Jersey, Isle of Man and UK mainland.

79) Notwithstanding the above, whilst GROUP may be located in Jersey, if it has UK based customers then it may have a protectable goodwill. Mr Dempster does claim to have a commercial presence in London since 2009 and provides an office lease agreement in London but this in itself does not support a claim to goodwill.

80) As previously stated the turnover is described broadly as being "circa £100 million" "between 2009 and 2015".[37] The figures have not been broken down into territories or the services provided. It is clear from the evidence that GROUP's main area of commercial activity is Jersey. Providing figures for the Isle of Man, and/or the UK, would not have been a particularly onerous task.

81) I do not doubt that GROUP purchased a loan book from Citifinancial. However, there is no evidence to support that these outstanding loans are customers based in the UK mainland. I do accept that a number of the customers are based on the Isle of Man and Jersey. The spreadsheet refers to the Isle of Man as its "sentinel branch" and that third-party debt collectors are instructed by GROUP to collect debts. However, GROUP has not provided figures on the income it accrued from these loans or how this contributes to it establishing goodwill.

82) Within the Agreement between Citifinancial and Future Loans Limited (based in Jersey) it also includes an example letter notifying customers that their loans have been transferred. There is no evidence confirming that these letters were sent to UK mainland or Isle of Man customers. There is a letter dated 9 November 2012 from Citifinancial which suggests that Citifinancial issued the letters to the debtors rather than GROUP. The evidence does include numerous invoices from debt collectors which I accept as being evidence that the debtors live on the Isle of Man. However, the key point is that the Isle of Man customers did not, in the first instance, obtain the

[37] Para. 23

loans from GROUP. They were was obtained from Citifinancial. Therefore, at the relevant date, the acquisition of these debts does not show that GROUP had provided any loans to customers on UK mainland or the Isle of Man. Accordingly, GROUP was the purchaser of the loans and the sign FUTURE FINANCE was not the attractive force that brought in custom. They were, in fact, the customer simply purchasing the debts on the loans from a third party. Further, there is no evidence that GROUP's subsequent handling of those debts created any goodwill for FUTURE FINANCE.

83) In view of the above, I find that GROUP has not sufficiently demonstrated that it has the requisite goodwill in a business operating under the sign FUTURE FINANCE at the relevant date.

S.5(4)(a) outcome

84) In view of the above, I find that GROUP has failed to demonstrate that it has the requisite goodwill. The application for invalidity under s.5(4)(a), applicable by virtue of s.47, is dismissed.

S.5(4)(b)

85) The relevant section of the Act is as follows:

> "5 (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)[…]
>
> (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".

86) S.1 of the Copyright, Designs and Patents Act 1988 ("CDPA") provides for copyright to subsist in original artistic works. S.4 CDPA further provides:

“4. —Artistic works.

(1) In this Part “*artistic work*” means—
(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,
[…]
(2) In this Part—
[…]
“graphic work” includes—
(a) any painting, drawing, diagram, map, chart or plan […]”.

87) A work created by a Jersey national may be protected in the UK according to the copyright laws in the UK, notably the provisions of the Copyright, Designs and Patents Act 1988. A helpful summary of the main principles of copyright law and artistic works was given by District Judge Clark in *Suzy Taylor v Alison Maguire* [2013] EWHC 3804 (IPEC):

“6. […] Section 1 of the CDPA provides for copyright to subsist in original artistic works. An "original artistic work" is a work in which the author/artist has made an original contribution in creating it – for example by applying intellectual effort in its creation.

7. Artistic works are listed in s.4(1) CDPA and include "a graphic work… irrespective of its artistic quality". Graphic work is defined in 4(2) as including "(a) any painting, drawing, diagram map, chart or plan and (b) any engraving, etching, lithograph, woodcut or similar work…".

8. For an artistic work to be original it must have been produced as the result of independent skill and labour by the artist. The greater the level of originality in the work the higher the effective level of protection is, because it is the originality which is the subject of copyright protection. If the work includes elements which are not original to the artist then copying only those elements will not breach that artist's copyright in the work. It is only where there is copying of the originality of the artist that there can be infringement.”

[…]

11. If something is an exact copy of the whole or a substantial part of an artistic work protected by copyright, it will be an infringement if there is no defence provided by One of the exceptions contained in the CDPA. If something is an inexact copy, for example if it merely resembles an artistic work protected by copyright, it may or may not be infringing. ….”

88) Mr Wood did question whether GROUP were still pursuing its s.5(4)(b) claim since there was no reference to it in the written submissions and very limited reference to the creation of the works in the evidence. There is no express concession of this ground of invalidation and so I am required to deal with it. However, it can be dismissed quickly since copyright cannot exist in the words FUTURE FINANCE and therefore it follows that use of LOAN’s mark cannot infringe anyone’s copyright.

89) Further, the claim is based on the various earlier “marks” as shown at paragraph 3. GROUP states that the creators of the copyright works are Craig Dempster, Denny Lane and Alan Luce in 2009 but the current owner is Mr Dempster. No evidence of an assignment from Messrs Lane and Luce has been filed and, moreover, no assignment from Mr Dempster to GROUP. It could be argued that the initial authors carried out the work in the course of employment or they were commissioned to carry out the work and therefore GROUP ae the owners. However, this has not been claimed and does not appear to be the case since ownership was transferred to Mr Dempster.

S.5(4)(b) outcome

90) The s.5(4)(b) claim, applicable by virtue of s.47, is dismissed

INVALIDITY NO. 502290 OUTCOME

91) Invalidity no. 502290 is dismissed in its entirety. Subject to appeal, trade mark registration no. 3037217 shall remain registered.

OPPOSITION NO. 408672

92) As previously stated, the opposition is based on s.5(2)(b) and 5(4)(a). I shall begin with the former. Since GROUP's invalidation action was unsuccessful, LOAN may rely upon both of its earlier trade mark registrations. Pertinent details of the earlier marks are as follows:

> **Mark:** FUTURE FINANCE
> **EUTM no:** 14351555
> **Services:** Class 36 Loans [financing]
> **Filing date:** 10 July 2015
> **Seniority date**[38]**:** 9 January 2014
> **Publication date:** 12 August 2015
> **Date of entry in register:** 19 November 2015
>
> **Mark:** FUTURE FINANCE
> **UK no:** 3037217
> **Services:** Class 36 Education finance; providing loans to students to help pay for the costs of higher education
> **Filing date:** 9 January 2014
> **Publication date:** 31 January 2014
> **Date of entry in register:** 11 April 2014

93) S.5(2)(b) of the Act is as follows:

> "5(2) A trade mark shall not be registered if because-
>
> (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".

[38] Seniority is based on UK trade mark registration no. 3037217

94) The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

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

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

95) In the judgment of the Court of Justice of the European Union in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

> "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 intended purpose and their method of use and whether they are in competition with each other or are complementary".

96) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

97) The respective services are as follows:

Applied for services	**Earlier services**
Class 35: Presentation of goods on communications media, for retail purposes; Business services in the field of finance; Consultancy, advisory and information services relating to the aforesaid. *Class 36: Insurance; financial affairs; monetary affairs; sureties; portfolio management services; brokerage services; business loans; business funding; financing of home improvements; financing of plant and machinery purchases; financing of vehicular purchases (land, sea or air); financing of office/IT equipment purchases; provision of equity release schemes;*	*The ’555 mark:* *Class 36 - Loans [financing]* *The 217 mark:* *Class 36 Education finance; providing loans to students to help pay for the*

asset valuation and funding services; debt consolidation services; secured loans; mortgage loans; arranging and guaranteeing loans; loans against security; provision of industrial loans, home loans, commercial loans, instalment loans; mortgage loans and financing services; secured loans to fund the provision of bailment of motor vehicles; secured loans to fund the provision of contract hire of vehicles; Consultancy, advisory and information services relating to the aforesaid.	*costs of higher education*

Class 35

98) The applied for *presentation of goods on communications media, for retail purposes; consultancy, advisory and information services relating to the aforesaid* involve services sought by persons or organisation aimed at promoting their goods or services. Applying all of the principles set out in the *Treat* case above, I do not find any point of similarity between these services and those covered by each of the two earlier registrations relied upon. They are dissimilar.

99) The applied for *Business services in the field of finance; consultancy, advisory and information services relating to the aforesaid* are services aimed at supporting or helping other businesses to do or to improve business in the finance sector. They target the professional finance sector and are provided by business consultants, auditors, etc. Whilst they are aimed at the financial sector, this is too superficial to find similarity. They differ in nature, purpose and are not in competition or complementary with one another. They are dissimilar.

100) In *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA, Lady Justice Arden stated:

> "49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be

considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

101) Having found that the applied for class 35 services are not similar to the earlier relied upon services, there can be no likelihood of confusion and the opposition against those services fails and is dismissed accordingly.

Class 36

102) In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the General Court stated that:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

103) Applying the principle set out in *Meric*, I find all of the following applied for services to be sufficiently broad to cover the '555 earlier *loans [financing]*. These are: *financial affairs; monetary affairs; business loans; business funding; financing of home improvements; financing of plant and machinery purchases; financing of vehicular purchases (land, sea or air); financing of office/IT equipment purchases; secured loans; mortgage loans; arranging and guaranteeing loans; loans against security; provision of industrial loans, home loans, commercial loans, instalment loans; mortgage loans and financing services; secured loans to fund the provision of bailment of motor vehicles; secured loans to fund the provision of contract hire of vehicles; Consultancy, advisory and information services relating to the aforesaid.*

104) I also find that applied for *financial affairs; monetary affairs; secured loans* to be *Meric* identical to the earlier *education finance; providing loans to students to help pay for the costs of higher education*.

105) I also find the applied for *business loans; business funding; financing of home improvements; financing of plant and machinery purchases; financing of vehicular purchases (land, sea or air); financing of office/IT equipment purchases; mortgage loans; arranging and guaranteeing loans; loans against security; provision of industrial loans, home loans, commercial loans, instalment loans; mortgage loans and financing services; secured loans to fund the provision of bailment of motor vehicles; secured loans to fund the provision of contract hire of vehicles; Consultancy, advisory and information services relating to the aforesaid* to be similar to at least a medium degree with the earlier class 36 services covered by the '217 mark.

106) The applied for *insurance* services involve an undertaking to provide a guarantee of compensation for specified loss, damage or illness, death in return for payment of a specified premium. They have a different purpose to the earlier *providing loans to students to help pay for the costs of higher education services* which involve borrowing money to students so that they can access higher education. Despite their differing purpose, both are financial in nature. In respect of trade channels, many banks offer insurance or act as agents for insurance companies, with which they are economically linked. In view of this, I find that the respective services are similar to a medium degree.

107) For the same reasons I also find the applied for *insurance services* to be similar to a medium degree in respect of the opponent's earlier class 36 services by its '555 mark.

108) The applied for *sureties* services involve a promise by one party to assume responsibility for the debt obligation of a borrower if they default. In other words, it is security against loss or damage from one not fulfilling its obligations, for example defaulting on a loan. Whilst the respective services are different in purpose, they are similar in their financial nature and may be provided by the same, or related, undertakings. They would also share the same distribution channels. I consider them to be similar to at least a medium degree to the class 36 services covered by each of the earlier registrations.

109) The applied for *portfolio management services* is a relatively wide term which could range from managing various types of portfolios, such as real estate, business and loans (including loans for students and education). In this instance the evidence shows that LOAN had acquired a loan book which consisted of a portfolio of debts which they would have had to manage and administer. Accordingly, I find that there is at least a medium degree of similarity between the applied for *portfolio management services* and the class 36 services covered by each of the earlier relied upon registrations.

110) The applied for brokerage services are whereby an individual or company arranges transactions between a buyer and a seller, for a commission. To put it colloquially, they are the middle-man. They are financial in nature and could be provided by the same undertaking as those who provide loans, including educational loans. They are similar to at least a medium degree.

111) Typical equity release schemes involve accessing money based on the value of one's property. It is effectively a loan based against equity in property. In view of this, if the services are not identical under the *Meric* principle, given the nature, purpose, trade channels and competition between them, they are highly similar to the earlier *loans [financing]* services covered by the '555 mark. Equity release schemes are unlikely to be sought by students but those that provide equity release schemes may also provide student loans and education finance. Therefore, they may overlap in distribution channels. They are similar to a low degree to the earlier services covered by the '217 mark.

112) Applying the *Meric* principle I consider the applied for *funding services* to be sufficiently broad to cover the earlier *loans [financing]* covered by the earlier '555 and covered by the '217 mark. They are identical.

113) The applied for *asset valuation services* is a procedure which the value of an asset is determined. The assets can vary greatly. It is often done in order to accurately record the value of assets on balance sheets. Further, valuations may be done in order to determine the value of loans which may be awarded, for example mortgage companies generally base their mortgage rates and level of what one may borrow

against the value of the house involved, i.e. loan to value. In view of this, they may differ in nature but would share trade channels and there is a limited degree of complementarity. They are similar to a low degree to the services covered by each of the earlier relied upon services.

114) The applied for *debt consolidation services* could involve obtaining one loan to cover all the other debts. Therefore, the users, purpose, trade channels are the same. They are highly similar to the earlier relied upon services.

115) With regard to the applied for *Consultancy, advisory and information services relating to the aforesaid,* I also find similarity with these services then there will be the same degree of similarity as the services which they relate to.

Comparison of marks

116) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

117) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

118) The respective trade marks are shown below:

The application: 

The earlier mark: **FUTURE FINANCE**

The applied for mark is complex and consists of numerous elements, including the words FUTURE FINANCE placed in stylised text. Also present in the mark are descriptors of the services it provides, i.e. loans, mortgages and factoring. Next to these words are small devices which are distinctive but not particularly striking. Below these descriptors are geographical indicators of where these services are provided, i.e. Jersey, Guernsey, Isle of Man, UK and Mauritius. Given the size and the general descriptive nature of the remaining elements I find the words Future Finance to be the most dominant elements of the mark.

119) The earlier mark consists of the words FUTURE FINANCE. The are no other elements in the marks and so the overall impression resides in these words.

120) Visually, the respective marks share the common elements FUTURE FINANCE. As previously outlined, the applied for mark also consists of devices and descriptive words and due to these additional elements, I consider the marks to be visually similar to a high degree.

121) Aurally, whilst the applied for mark consists of additional words these are unlikely to be pronounced and therefore the respective marks are aurally identical.

122) Conceptually, the words FUTURE and FINANCE are not words which are typically used together to give them a meaning, though they do project the concept of finance for one's future. They are both which are dictionary defined commonly used words and they would be attributed their ordinary meanings. Whilst the applied for

mark includes additional elements since some of these are descriptors and the words FUTURE FINANCE are dominant and so I consider them to be conceptually identical.

Average consumer and the purchasing process

123) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

124) In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

125) The average consumer for the services which I have found to be identical or similar are, in my view, a member of the public or business. Both businesses and members of the public may seek to obtain a loan. Further, both sets of average consumers are also likely to seek insurance, monetary advice, mortgages, etc. However, for services which specifically refer to business (for example, business loans, business funding, etc) then they would only be sought by businesses. In my view, the degree of care and attention used by either average consumer is likely to be higher than the norm. This is understandable because the services all involve, generally speaking, people's money/finances, so the choice of where that money is placed is important.

126) In terms of the purchasing process, the services sought are likely to be visual through websites, brochures and visual media, However, I do not discount the aural impact should be ignored since the services could be accessed through traditional bricks and mortar establishments and they would speak to a sales assistant or via telephone.

Distinctive character of earlier mark

127) In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV,* Case C-342/97 the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

128) LOAN has not explicitly claimed that its use of the mark FUTURE FINANCE has been enhanced. Therefore, I am not required to deal with this. Notwithstanding this, I do not consider its use to be sufficient to have enhanced the distinctive character of

the earlier mark by the relevant date – 23 November 2016. I have already established that LOAN's first use of the mark in the UK was around May 2014 when it granted its first loan. Ms O'Loughlin states that by the end of 2016 they "had a loan book of £50 million, having provided funds to more than 7,000 students in the UK and Germany"[39]. Clearly this is not an insignificant amount, however it is not stated how many of the 7,00 loans is in the UK rather than Germany. I also not that in 2015 it had 23,649 UK customers and 39,731 in 2016. Further, the advertising spend was in excess of £1m for 2015 and £2m for 2016. It has not provided UK turnover figures or identified the proportion of the relevant market (which I should imagine to be significant) identifies the services with them. Taking all of this into account, even if LOAN had claimed enhanced distinctiveness, I do not consider it to have been proven.

129) From an inherent perspective, the earlier mark consists of the words FUTURE FINANCE which are both English dictionary defined words. Since the majority of services in question relate to financial services, the word FINANCE is descriptive. However, combined with FUTURE it does, as I have found earlier, to project the concept of one's future financial requirements and. Accordingly, I find that the earlier mark has a low degree of inherent distinctive character.

Likelihood of confusion

130) When considering whether there is a likelihood of confusion between the respective marks I must consider whether there is direct confusion, where one mark is mistaken for the other or whether there is indirect confusion where the similarities between the marks lead the consumer to believe that the respective services originate from the same or related source.

131) A number of factors must also be borne in mind when undertaking the assessment of confusion. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or services and vice versa. As I mentioned above, it is also necessary for me to keep in mind a global assessment of

[39] Para. 5

all relevant factors when undertaking the comparison and that the purpose of a trade mark is to distinguish the goods and services of one undertaking from another. In doing so, I must consider that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

132) I have found that the marks are visually similar to a high degree, plus aurally and conceptually identical. I have also found that the respective services are either identical or similar to varying degrees. The average consumer will be the general public and business. The level of attention paid is likely to be higher than the norm and the services will primarily be sought following a visual inspection of the services, though I do not discount aural recommendations.

133) Taking all of the above into account, I have no doubt that there is a likelihood of confusion. The s.5(2)(b) ground succeeds against the services which have been found to be identical or similar to any degree, i.e. all of the applied for class 36 services. This conclusion is consistent with the evidence of actual confusion.

134) The opposition is unsuccessful against the services whereby no similarity has been found, i.e. all of the applied for class 35 services.

S.5(2)(b) outcome

135) The s.5(2)(b) claim succeeds against the class 36 services but has failed against the class 35 services. It is important to note that the s.5(2)(b) opposition has been partially successful based on each of the earlier relied upon marks bearing in mind that the earlier EUTM is subject to challenge before the EUIPO and the earlier UK mark is not.

LOAN's s.5(4)(a) claim

136) Since the opposition has been partially successful there is no requirement for me to consider the class 36 services. Therefore, the s.5(4)(a) claim shall only be considered in respect of the applied for class 35 services as listed above.

137) LOAN's claim is based on its alleged earlier rights in its business operating under the sign FUTURE FINANCE whereby it provides financial services throughout the UK since 2013. This matter has effectively already been dealt with in the invalidation action, whereby LOAN succeeded.

138) The application, the subject of this opposition, was filed on 9 December 2016. That would ordinarily be the relevant date to assess the passing off claim. However, GROUP claims to be the senior user.

139) Applying the guidance set out in *Assos* and *Casablanca*, I must firstly establish the date of GROUP's actionable use began and not the date that GROUP acquired goodwill of its own. Once this has been established, it is for LOAN to show that it had a protectable goodwill prior to this date.

Did GROUP's actionable use begin prior to May 2014?

140) I have already found that GROUP did not have goodwill by 9 January 2014. There is nothing in the evidence to suggest that it had commenced use which would have been actionable by May 2014.

Is LOAN the senior user?

141) I find that LOAN to have established goodwill in May 2014 following its first student loan to a UK based student. It is clear from the evidence that the business, operating under the sign FUTURE FINANCE, then continued to grow and develop into a strong business.

142) In view of the above, I find that LOAN is the senior user and therefore it has the requisite earlier goodwill in the sign FUTURE FINANCE for loan services.

Misrepresentation

143) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, 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."

144) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

> "… if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement."

Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd,* [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora,* [2012] EWCA (Civ) 1501, Lewinson L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that *"a substantial number"* of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal's later judgment in *Comic Enterprises,* it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitive assessments.

145) I remind myself that LOAN's claim is based on its alleged earlier rights in the sign FUTURE FINANCE, which claims to have been providing financial services throughout the UK since 2013. I have already found that there is no likelihood of confusion between the respective marks based on the services not being similar. Whilst I recognise that the tests between a likelihood of confusion and misrepresentation differs, the outcome in the instance is the same.

OVERALL OUTCOME

146) GROUP's invalidity claim has failed. Therefore, subject to appeal, LOAN's trade mark registration no. 3037217 shall remain registered.

147) LOAN's opposition has been partially successful. Therefore, subject to appeal, GROUP's trade mark application shall be refused registration for all of the applied for class 36 services and proceed to registration for all of the applied for class 35 services.

COSTS

148) LOAN has successfully defended its trade mark registration and partially succeeded in the opposition action, Therefore, it has been more successful than not and is entitled to a contribution towards its costs. LOAN has requested off the scale costs due to GROUP's unreasonable conduct throughout the proceedings which have resulted in unnecessary delays and expense. Specific details of the conduct referred to are outline din its submissions of 4 January 2019. I shall briefly outline the reasons for the off-scale costs request:

- LOAN states that the proceedings have been ongoing for nearly two years which is partly due to the invalidation action being filed one day prior to a CMC held before me relating to a retrospective extension of time request. LOAN argues that resulted in an undue delay.
- The initial invalidation action was fled yet it as necessary to request at least three amendments. This too resulted in further unnecessary delays.
- LOAN also argues that GROUP has not shown that it has sufficient rights in which to base an invalidity action. It argues that this is proven by LOAN's repeated failure to particularise its case.
- GROUP's invalidity action is without merit. For example, its reliance on the s.5(4)(b) claim which even up until the date of the hearing it was unclear whether this ground of attack was being pursued.

It is well established that the "Tribunal has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour"[40] However, I must also bear in mind that just because a party has lost, this is not indicative, in itself, of unreasonable behaviour. I do agree with LOAN that GROUP could have dealt with these proceedings in a more timely manner and that it appears that it dropped its s.5(4)(b) claim without confirming this to be the case. However, there have not been significant delay and I do not consider GROUP to have bene materially prejudiced. Taking all of these factors into account I do find it appropriate to award LOAN costs slightly higher than the norm,

[40] Trade Marks Work Manual

but within the permitted scales, to reflect how the proceedings have been dealt with. In the circumstances, I award LOAN the sum of £3100 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement in the opposition and a counterstatement in the invalidation action	£600
Preparing evidence and considering and commenting on the other side's evidence	£1800
Preparing for and attending a hearing	£700
TOTAL	**£3100**

149) I therefore order Future Group Limited to pay Future Finance Loan Corporation Limited the sum of £3100. The above sum should be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this day 27th day of February 2020

MARK KING
For the Registrar