

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 216065 and in the matter of an Opposition thereto.

IRISH LIFE & PERMANENT PLC

Applicant

ICS BUILDING SOCIETY

Opponent

The application

1. On 8 October, 1999, Irish Life & Permanent plc, an Irish company of Irish Life Centre, Lower Abbey Street, Dublin 1 made application (No. 99/3497) to register the mark shown below in Class 36 in respect of a specification of services that was amended in the course of the examination of the application to read as follows: “financial services, in particular provision of finance, provision of mortgages, provision of assurance and insurance; financial services including investment services, financing of loan services, pensions.”



2. The Application was accepted for registration and advertised accordingly under No. 216065 in Journal No. 1895 on 26 July, 2000. The advertisement carried a noting to the effect that the mark in use would be in the colours navy, white and green.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 18 October, 2000 by ICS Building Society, an Irish company of

25 Westmoreland Street, Dublin 2, Ireland. The Applicant filed a counter-statement on 24 November, 2000 and evidence was, in due course, filed by the parties under Rules 20, 21 and 22 of the Trade Mark Rules, 1996.

4. The Opposition became the subject of a Hearing before me, acting for the Controller, on 4 March, 2004. The parties were notified on 2 April, 2004 that I had decided to dismiss the opposition and to allow the mark to proceed to registration. I now state the grounds of my decision and the materials used in arriving thereat.

Notice of Opposition

5. In its Notice of Opposition the Opponent makes a number of statements and claims, which may be summarised as follows:

- (i) The Opponent has, for many years, carried on business as a provider of a range of financial services and, in particular, the provision of mortgages and the financing of loans.
- (ii) The Opponent is the proprietor of the following trade marks:

Registration No. 214776 dated 23 June, 1997



Application No. 1997/00840 dated 4 March, 1997

(subsequently registered under No. 220194)



- (iii) The Opponent's trade mark MORTGAGE STORE has been used since 1989 in connection with a range of goods and services, including the provision of mortgages and related services.

- (iv) The mark for which the Applicant seeks registration offends against the provisions of Sections 6, 8 and 10 of the Act.
- (v) The mark is not capable of distinguishing the Applicant's services and it is devoid of distinctive character and consists exclusively of a sign or indication designating the Applicant's services.
- (vi) The mark is identical with or similar to the Opponent's mark and the services in respect of which it is to be registered are identical with or similar to those in respect of which the Opponent's mark is registered; accordingly, there is a likelihood of confusion on the part of the public.
- (vii) Use of the mark by the Applicant would be detrimental to, or would take unfair advantage of, the distinctive character or reputation of the Opponent's mark.
- (viii) The Applicant does not use or intend to use the mark propounded for registration and the application has been made in bad faith.

Counter-Statement

6. In its Counter-Statement the Applicant denies all of the grounds of opposition and admits only the Opponent's proprietorship of Trade Marks Nos. 214776 and 1997/00840 (220194).

The evidence

Rule 20

7. Evidence submitted by the Opponent under Rule 20 consisted of a Statutory Declaration (and Exhibits ICS1-3) dated 23 February, 2001 of Tony Moroney, Head of Marketing of ICS Building Society. He refers to the trade mark now registered under No. 220194 and says that his company commenced use of it in 1989 in relation to computer hardware and software, printed matter and publications, the provision of mortgages, loans and all services associated therewith. He estimates the value of goods and services sold under the trade mark at £469,300,000 and he provides a breakdown of turnover by year from 1992 to 2000. The mark has been used in signage at the Opponent's offices and on printed matter such as letterheads and Mr. Moroney exhibits various documents and photographs showing how the mark has been used. Over £3,000,000 has been

spent in promoting and advertising the mark including through advertisements in the national daily papers and samples of advertisements are exhibited.

Rule 21

8. Evidence submitted by the Applicant under Rule 21 consisted of a Statutory Declaration (and Exhibit MM1) dated 8 March, 2002 of Philip Mongan, Head of Intermediary Operations at Irish Life & Permanent plc. He says that the mark propounded for registration functions as one of the Applicant's "house marks" and, as such, appears on the Applicant's literature. He says that the mark is very well known and is associated with the Applicant. The mark has been used since 1999 by the Applicant or by its six Mortgage Shop outlets. Sales figures from 1999 to 2000 totalling approximately €2,000,000 are quoted. Mr. Mongan exhibits a number of information leaflets, advertising leaflets and "mailshots" showing use of the mark. He claims advertising expenditure of approximately €27,000 for the period 1999 to 2000; among the publications in which advertisements have appeared are the Irish Brokers Association Magazine and the Kildare Times.

Rule 22

9. Evidence submitted by the Opponent under Rule 22 consisted of a further Statutory Declaration (and further Exhibits ICS1-3) dated 20 August, 2002 of Tony Moroney in which he makes a number of criticisms of the evidence filed by the Applicant. He disputes that the Applicant uses the present mark as one of its "house marks" and exhibits two documents furnished by the Applicant in response to a fictitious mortgage enquiry, only one of which bears the mark. He also asserts that that Applicant operates only four "Mortgage Shop" outlets and not six as referred to in Mr. Mongan's Declaration under Rule 21 and appears to question the veracity of the figures quoted by the latter in respect of turnover under the Applicant's mark. Mr. Moroney also suggests that the level of expenditure by the Applicant on the promotion of its "Mortgage Shop" trade mark has been minimal and that the mark is not a prominent element of the Applicant's brand. He goes on to refer to his previous evidence with regard to the length of usage by the Opponent of its mark and the extent of that usage and he asserts that the reputation

acquired by the Opponent's mark is such that there will inevitably be confusion between it and the mark propounded for registration.

The hearing

10. At the Hearing the Opponent was represented by Mr. Neil McVeigh, Trade Mark Agent of F.R. Kelly & Co. and the Applicant by Ms. Mary Rose O'Connor, Trade Mark Agent of Cruickshank & Co.

The issues

11. Of the grounds of opposition stated in the Notice of Opposition filed on behalf of the Opponent, only those under the following Sections of the Act were canvassed at the hearing: Sections 6, 8(1)(a), 8(1)(b), 8(1)(c) and 10(2)(b). I am satisfied that my consideration of the matter may be confined to these Sections. The questions raised may be categorised under the headings, "absolute grounds for refusal" (Sections 6 and 8) and "relative grounds for refusal" (Section 10).

Sections 6 and 8 – should the mark be refused registration on "absolute grounds"?

12. The relevant parts of Sections 6 and 8 insofar as the present opposition is concerned read as follows:

Section 6

(1) In this Act, a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

Section 8

(1) The following shall not be registered as trade marks:

(a) signs which do not satisfy the requirements of section 6(1);

(b) trade marks which are devoid of distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services;

13. Mr. McVeigh, for the Opponent, argued at the hearing that, notwithstanding the inclusion in the Applicant's mark of other elements, the primary identifier of the mark was the words "Mortgage Shop" and that those words were not capable of distinguishing the mortgage services of one undertaking from those of others. He asserted that the other elements included in the Applicant's mark, being the device of a house and the Applicant's name, "Irish Permanent", and logo, were of an entirely non-distinctive or peripheral nature within the context of the mark as a whole and that they did not, accordingly, give to the mark a sufficient distinctive character in order for it to qualify for registration. The words "Mortgage Shop" are, he said, apt to designate the kind of services offered by the Applicant and they are thus also disqualified from registration under Section 8(1)(c). Ms. O'Connor responded to the effect that the mark must be judged as a whole, taking account of all of the elements of which it is composed and, on that assessment of it, it is clear that the mark contains sufficiently distinctive elements to render it capable of distinguishing the Applicant's services from those of other undertakings. Nor is it composed exclusively of descriptive elements as the name "Irish Permanent" and accompanying logo and the device of a house are not signs that designate mortgage services or other financial services, *per se*.

14. I look first at the objection under Section 6 and Section 8(1)(a). This is a single issue, notwithstanding that two Sections of the Act are mentioned, as the Sections in question are intrinsically linked; Section 6 defines which signs constitute trade marks and Section 8(1)(a) says that a sign that doesn't constitute a trade mark is not registrable. The only question at issue for the purposes of the present case is whether the sign that the Applicant seeks to have registered as a trade mark is capable of distinguishing its services from those of other traders. In my opinion, there is no doubt that it is. The sign is a composite one containing four elements, viz., (i) the words "Mortgage Shop", (ii) the device of a house, (iii) the words "Irish Permanent" and logo, and (iv) the colours navy and green in combination. The capacity of that sign to distinguish the Applicant's services from those of others stems not only from the obvious factor of the inclusion of words and a logo that are unique to the Applicant but also from the particular juxtaposing of the various elements in a design that is sufficiently distinctive and memorable to allow the consumer to identify and distinguish the Applicant's services. The sign

is a trade mark within the meaning of Section 6 and is not, therefore, precluded from registration by virtue of Section 8(1)(a).

15. As to Section 8(1)(b), it is established that the essential function of a trade mark is “*to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin*” (European Court of Justice Cases Nos. C-39/97, *Cannon* and C-299/99, *Philips v Remington*). The distinctive character required of a mark is that which enables it to perform that function. The question is, therefore, whether the Applicant’s mark is sufficiently distinctive to allow the average consumer of the relevant services, on perceiving the mark, to recall the Applicant’s services and to repeat the positive experience or to avoid the negative experience, as the case may be, that he has had of those services in the past. In my opinion, the mark is clearly sufficiently distinctive for that purpose. Apart from the way in which the various elements of the mark are arranged relative to each other, the inescapable fact is that there are particular elements that specifically identify the Applicant and it is inconceivable that a person seeing the mark once could not subsequently recognise it and identify it with the services of the Applicant. I do not accept the Opponent’s contention that the mark is essentially only the words “Mortgage Shop” and that the other elements are so peripheral or non-distinctive as to be negligible. There is no reason to suspect that the average consumer of the relevant services will subconsciously ignore those other elements. For these reasons, I do not agree that the mark is devoid of distinctive character within the meaning of the Act and I find that the opposition under Section 8(1)(b) is not supported.

16. Turning then to Section 8(1)(c) of the Act, that Section prohibits the registration of marks that consist exclusively of signs or indications that designate goods or services or their essential characteristics. The correct interpretation of this provision has been the subject of considerable attention at the European level and the European Court of Justice (ECJ) has recently corrected the misinterpretation of it by the Court of First Instance in the *Doublemint* case (Case No. C-191/01). In that case, the ECJ pointed out that the test under Section 8(1)(c) was not as had been applied by the Court of First Instance, i.e., a question of whether a mark was

exclusively descriptive of the relevant goods or services. Rather, the ECJ, while not saying so explicitly, appears to have followed the reasoning in the Opinion of Advocate General Jacobs to the effect that the word “exclusively” governs the content of the trade mark in question and not its capacity to describe or, more correctly, designate goods or services or their characteristics. That distinction has particular significance in a case such as this, which involves a composite mark consisting of a number of elements. To assess the merits of the opposition under Section 8(1)(c), it seems to me that the correct test is to look at those elements and ask whether each of them is a sign or indication that is apt to designate the services covered by the application for registration. If one or more of them is not, then the mark does not consist exclusively of such signs or indications¹. The elements of which the mark is composed are set out in paragraph 14 above and I think it is fair to say that three of the four elements listed could not be described as being signs or indications designating the relevant services. Of those three, I regard the colour combination as being of insufficient significance to escape the prohibition against registration under Section 8(1)(c) but the device of the house and, more importantly, the words “Irish Permanent” and accompanying logo are enough to carry the mark and overcome the opposition on this ground.

Section 10(2)(b) – should the mark be refused on “relative grounds” owing to a likelihood of confusion on the part of the public?

17. Section 10(2)(b) of the Act reads as follows:

“A trade mark shall not be registered if because –

(a).....

(b) it is similar to an earlier trade mark and would 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 of the later trade mark with the earlier trade mark.”

¹ The proviso that I would add is that any element that does not designate the relevant services must be sufficiently significant in the context of the mark as a whole in order for the prohibition under the Section not to apply.

18. The Opponent relies for this aspect of its opposition on its registrations of the marks shown at paragraph 5(ii) above. Those registrations pre-date the present application and are in respect of services in Class 36 that are essentially the same as those of this application. The marks are also quite similar, the main element of the Opponent's marks being the words "Mortgage Store" and the main element of the Applicant's mark being "Mortgage Shop". There are also, however, significant differences between them, not least because of the fact that the Applicant's mark and the Opponent's registration No. 214776 each contains the name of its owner. There is also the fact that the colour, design and figurative elements of the Applicant's mark give a different overall appearance to that of the Opponent's registered marks.

19. It is now well established that the question of whether there is a likelihood of confusion within the meaning of Section 10(2) of the Act must be appreciated globally taking into account all of the relevant factors. According to the case law of the ECJ, the following are among the factors that must be considered:

- a global appreciation of the likelihood of confusion implies an interdependence between the relevant factors such that a lesser degree of similarity between the services may be offset by a greater degree of similarity between the marks, and vice versa;
- the more distinctive the earlier mark, the greater will be the likelihood of confusion;
- in determining the distinctive character of the earlier mark, one must make an overall assessment of the greater or lesser capacity of the mark to identify the services for which it has been registered as coming from a particular undertaking and thus to distinguish those services from those of other undertakings;
- the global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components;

- for the purposes of making that assessment, the average consumer of the services in question is deemed to be reasonably well-informed and reasonably observant and circumspect but rarely has the chance to directly compare the marks and must rely instead on his imperfect recollection of them;
- the average consumer's level of attention is likely to vary according to the category of services in question.

20. I have had regard to all of the foregoing factors in making an assessment of the likelihood of confusion in the present case. I have noted the Opponent's argument to the effect that the dissimilarities between the respective marks are offset somewhat by the fact that the services provided by the parties are the same. I have also taken account of the fact that the overall impression created by each of the marks is similar and that their dominant components – "Mortgage Store" and "Mortgage Shop" – are almost identical. On the other hand, I have noted that the Opponent's marks possess a very low degree of inherent distinctiveness and are, in fact, apt to describe the services offered thereunder. Notwithstanding the factual distinctiveness that the Opponent claims for its marks on the basis of almost ten years of use prior to the date of the present application, I think that the average consumer of the services in question will not regard those marks as highly distinctive.

21. There is also the question of the nature of the services offered under the marks and the level of attention that the average consumer of those services is likely to pay to the purchase thereof. The acquisition of a mortgage or of related financial services is one of the most significant financial decisions that one makes in the course of one's lifetime and is one that is normally undertaken following some degree of research, evaluation of all options, careful consideration and, in some cases, independent advice. There are only relatively few providers of the services in question operating in the jurisdiction and I think it is fair to say that the average consumer of those services is likely to "shop around" between most, if not all, of those providers before reaching a decision as to which one offers the package that best suits his needs. While the theoretical possibility of confusion between the services of the Opponent and the Applicant based on the similarity of their marks may be argued, the circumstances of the trade in which the parties are engaged are

such that the practical likelihood of confusion between their respective services is extremely low. This question was explored in detail at the hearing and Mr. McVeigh for the Opponent suggested that confusion could arise as a result, for example, of “word of mouth” recommendations of the Opponent’s “Mortgage Store” services being subsequently mistaken for the Applicant’s “Mortgage Shop” services. Business that might otherwise have come to the Opponent could, in such a scenario, be directed to the Applicant. While not discounting that possibility, I do not regard it as a practical likelihood. I think that the level of attention that the average consumer would be likely to pay to the acquisition of the relevant services would be such as to effectively obviate the possibility of confusion arising in the circumstances described. Also, the scenario under consideration relies on the words “Mortgage Store” being mistaken as “Mortgage Shop” rather than on confusion between the actual trade marks of the parties, which contain more than those elements alone. The inclusion of the Applicant’s name and logo in the mark propounded for registration and the different overall design of that mark from those of the Opponent reduce to a negligible level the possibility of confusion between them on a visual assessment. Together with the particular circumstances of the trade in question, I find that there are sufficient differences between the marks, and sufficiently distinctive features in the Applicant’s mark, to make confusion between these marks highly unlikely in practice. Accordingly, the objection to registration under Section 10(2)(b) does not apply and I dismiss the opposition under that Section.

Decision

22. As all of the grounds of opposition raised against the application have failed, I have decided to dismiss the opposition and to allow the mark to proceed to registration.

Tim Cleary

Acting for the Controller

23 April, 2004