

WHAT IS 'IDENTICAL' FOLLOWING *REED* AND *COMPASS*?

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What does identical mean in trade mark law? The term has been subjected to renewed scrutiny of late by both the Court of Appeal and the European Court. So, one would expect a certain degree of clarity would have been brought to the matter.

The question is an important one because if the allegedly infringing mark is 'identical' to the registered trade mark and is used on the same goods, confusion is presumed. There is no need for a registered proprietor to go the trouble and expense of submitting evidence to prove that there is confusion or a likelihood of it. Given the choice a trade mark proprietor would far rather have the task of showing that his registered rights have been infringed by an 'identical' infringing mark than one that is merely similar.

The problem is that 'identical' in trade mark law does not mean identical

How elastic have the courts decided the concept is? Does 'identical' cover words that are exactly the same as the registered mark with no additional elements at all or does the term extend to cover words that are virtually identical but differ in some minor aspect?

The four cases we will be concerned with today are **SADAS**, **Reed**, **Compass** and **Patriot**. Before getting into the detail of these decisions a short review of the development of the interpretation of section 10(1) TMA 1994 in the United Kingdom will set recent developments in context.

In the **Origin** case (**Origin Natural Resources v Origin Clothing [1995] F.S.R. 280**), the Claimant had a registration for the mark Origin but the sign "Origins" was said, by Jacob J., not to be identical, owing to the addition of the final letter "s". The meaning of identical was strict. In the **Treat** case (**British Sugar v James Robertson [1996] R.P.C. 281**) which came before Jacob J less than a year later, the name that appeared on the defendant's product was "Robertson's Toffee Treat" and this was held to be identical to the registered trade mark 'Treat'. The apparent inconsistency was justified on the basis that the words "Robertson's Toffee" were, according to the judge, "added matter" which could be disregarded. The rationale therefore developed that if the mark could be identified as a separate and distinct element within the sign used by the defendant, the remainder of the text could be discounted.

In **Décon** (**Décon Laboratories Ltd v Fred Baker Scientific Ltd [2001] E.T.M.R. 486**) the court considered the claimant's mark Decon and the defendant's signs "Decon-Phase", "Decon-Phene", "Decon-Ahol" and "Decon-Clean". A similar approach was adopted to **Treat** and **Origin**. Pumfrey J. had to decide whether the defendant's signs were identical to the mark Decon since the signs were used on identical products to those covered by the claimant's registration and, depending on whether or not the signs were regarded as identical, the claim would fall under s.10 (1) or 10(2).

Matter added to the sign used by the Defendant was to be discounted. Pumfrey J. found that the defendant's signs comprised two parts, a prefix consisting of the word "Decon" and a descriptive suffix. The suffixes did not change the nature of the principal sign nor did they distinguish the goods from those of the claimant. Pumfrey J. held that the sign was identical to the registered mark 'Decon' and the mark was therefore infringed.

Pumfrey J added an element to the test however—fair use on the part of the claimant was to be assumed but the court was also to assess the likelihood of confusion in relation to the way that the defendant uses its sign. Such an introduction is hard to explain as s. 10(1) is silent as to 'confusion'.

SADAS

The ECJ first approached the issue in the **SADAS** case (**Société LTJ Diffusion v Sadas Vertbaudet SA, Case C-291/00 [2003] F.S.R 34**, ECJ ("the SADAS case")). The claimant was a French company that produced clothing under the trade mark 'Arthur' which was registered in class 25 (for clothing) as a device mark with the word written in a particular, stylised handwriting and a distinctive dot below the first 'A'. The defendant, SADAS, operated a mail order business selling, among other things, children's clothing including a range named "Arthur et Félicie". The Defendant's version of 'Arthur' was not in a form that mimicked handwriting. The defendant registered its mark as a French national trade mark and also applied to register the mark as a Community trade mark. The application was opposed by the claimant on the basis of Art.5 (1) (a) of the Directive. The wording of this Article corresponds to s.10 (1) of the UK Act. The claimant challenged the use and registration of the defendant's mark in France and the French court referred a question concerning the assessment of identity between the two marks to the ECJ for clarification.

The ECJ stressed that the essential function of a trade mark is the guarantee of the identity of the origin of the goods or services to the end user without any possibility of confusion. For that guarantee to be ensured, the proprietor must be protected from competitors that seek to take unfair advantage of the reputation of the mark by selling products illegally bearing the mark. Article 5 of the Directive provides this guarantee by granting the proprietor of a registered trade mark the exclusive right to use the mark and, within certain limits, the right to exclude others from using his mark in the course of trade.

The court emphasised that Art.5(1) should be interpreted strictly so as to avoid the application of the section to situations which were more specifically protected under Art.5(2) of the Directive (s.10(2) of the Act). The latter covers situations where there is identity or similarity between the sign and the mark *and* between the goods or services which they designate to the extent that there exists a likelihood of confusion on the part of the public. The Court held that there was identity between the mark and the sign where "the former reproduces, without any modification or addition, all the elements constituting the latter".

To this extent the ECJ was in agreement with the domestic case law. However, the Court went on to hold that the test of whether a mark was identical had to be made globally from the perspective of the average consumer, bearing in mind that the consumer (who is deemed to be reasonably observant and circumspect), rarely has an opportunity to make a side-by-side comparison of the mark and the sign, but rather must rely on his own imperfect recollection of the mark.

Since the consumer's objective comparison is, in any event, based on an imperfect recollection of the mark, the question of whether marks are identical might be such that *insignificant* differences between the mark and the sign go unnoticed. In those circumstances the court accepted that the mark and the sign might still be considered to be identical for the purposes of Art.5 (1) even though objectively they were not identical.

Reed

The next installment was delivered by the English Court of Appeal. This was the **Reed** case in which judgment was given in March 2004 (**Reed Executive Plc v Reed Business Information Ltd, Reed Elsevier (UK) Ltd [2004] E.T.M.R. 56**). It was a landmark ruling and overturned much of the lower court's decision. It also gave the Court of Appeal an opportunity to explore trade mark infringement issues concerning the internet and websites.

There were a number of alleged infringements. The defendants, Reed Elsevier and its subsidiary Reed Business Information Ltd used the mark 'Reed' as a business logo incorporating the words "Reed Business Information" and as part of 'Reed Elsevier'. This was used in connection with an online recruitment service which was called totaljobs.com. The word "Reed" was also employed

in a copyright notice on the site, in a Yahoo banner advert and in a metatag for the Defendant's website.

The claimant, a large multinational publishing group, had already registered the trade mark Reed in 1986 in class 35 for employment agency services and advertised jobs on its website and contended that both visible use and metatag use amounted to trade mark infringement and passing off.

Essentially the Court of Appeal was being asked whether the use of the words "Reed Business Information" in the form of a logo amounted to use of an identical mark? Was the prohibition against identical reproduction of a mark limited to reproduction of that mark without addition or omission (i.e. the word 'Reed' alone) or could it extend to reproduction of the mark where new signs were added (the word Reed plus the word Elsevier for example).

Jacob LJ reviewed how the decision of Pumfrey J and the ECJ sat alongside each other and noted:

"This guidance is opaque. On the one hand the criterion of 'identity must be interpreted strictly.' On the other the court is to allow for the 'imperfect picture' of that notional construct 'the average consumer'. This latter is a concept more aptly related to the question of whether there is a likelihood of confusion between an accused sign and the registered mark, namely the Article 5.1(b) question."

It may be noted that rather than looking to the provisions of the UK Trade Marks Act 1994, the Court of Appeal went directly to the wording of the Directive.

The Court of Appeal was of the opinion that the ECJ had not wanted to 'soften the edges of 'strict identity' very far'. A sign and mark may not be identical for the purposes of Art 5.1(a) but if there is a likelihood of confusion it will be caught by Art 5.1(b).

Jacob L.J. held that "Reed Business Information" was not identical to the mark 'Reed' on the basis that the words "business information" would not go unnoticed by the average consumer. 'Reed' was a common surname and the additional words 'business information' served to differentiate Reed Business Information from Reed on its own. In all uses of the sign complained of, the additional words were equally prominent as the moniker 'Reed'. In reaching this conclusion Jacob L.J. did not rule out the fact that consumers could confuse Reed Business Information with Reed Employment but that these would be cases of similarity of the mark, not that they were identical.

Incidentally the Court of Appeal also decided that invisible use of a mark, as in the invisible metatagged use of a word that causes it to appear in a search engine result does not amount to trade mark infringement.

Compass

The **Compass** case (**Compass Publishing BV v Compass Logistics Ltd [2004] EWHC 520**), which was heard by Laddie J. followed swiftly on the heels of **Reed**. The claimant, Compass Publishing had three registered trade marks for the word Compass, one in class 42 (covering, among other things, consultancy services relating to computing and computer systems), one in class 35 (covering business consultancy services) and a Community trade mark registration in class 9 (covering computer software and computer programs). The defendant traded under or by reference to the name Compass Logistics although it did sometimes use the name Compass on its own. This occurred when there were lapses into informality in documents and conversations. The defendant provided management consultancy services in relation to logistics and supply chain management and had used the sign Compass Logistics for 8 years. By agreement between the parties the court decided to focus on the Community trade mark and in particular whether

there was infringement under Art.9.1 (a) of the Regulation. (This provision is identical in form to Art.5 (1) of the Directive.)

The Defendant argued that its mark was not 'Compass' but 'Compass Logistics', a non-identical sign. The claimant argued that the sign was identical in that the word "Logistics" added nothing of trade mark significance to the word "Compass" and the use of the mark Compass appeared as a separate element of the mark (as in the Treat case). The claimant also argued that the **Decon** case supported its position. The parties, however, accepted that the principal authority on the interpretation of this provision was the **SADAS** case, and that following the decision of the Court of Appeal in **Reed, Decon** was no longer good law.

As a matter of fact, Mr. Justice Laddie held that the defendant did use the word COMPASS alone, and in this respect, had infringed each of the claimant's trade mark registrations. The majority of the judgment concerns whether there was infringement through the defendant's use of "Compass Logistics".

Laddie J. adopted the approach of the ECJ and found that the differences between Compass Logistics and Compass were noticeable "without difficulty or prior coaching" by members of the public. The two marks could not be considered identical.

Laddie J continued:

"There is nothing in [SADAS] or Reed to suggest that noticeable differences should be ignored because they have only limited trade mark significance. To avoid infringement the addition must not only be more than insignificant but it must have a trade mark impact."

The use of the word LOGISTICS could not be discounted. If the word "Logistics" had been used in a descriptive sense then it might have been arguable that the identifier of the company's services was simply 'Compass'. As it was, the full name Compass Logistics was the name of the company and was used as such and would be perceived to be its trade mark. The sign could not therefore be regarded as identical to the registered trade mark and instead the claimant would have to rely on Art.9.1 (b) instead.

Both parties accepted that there was no actual confusion in the marketplace. However, the relevant test was would there be a likelihood of confusion if the claimant were to use the mark COMPASS in a normal way, in respect of all services covered by its registration, including for business consultancy services in the field of logistics.

The prominent part of the defendant's mark was the word "Compass". To many customers the word "Logistics" would add little significance save to allude to the type of area of consultancy in which the services are carried out. Laddie J therefore concluded that there was a likelihood of confusion, and therefore an infringement.

Patriot

The latest case to address the issue of identical marks to be considered came before the High Court in June 2004 on an application for summary judgment. **Bayer Cropscience SA v Agropharm Ltd [2004] EWHC 1661 (Ch)** concerned the registered trade mark 'Patriot' in class 5 covering "preparations for killing weeds and destroying vermin". The defendant used three marks on a range of public health insecticides for professional and amateur use under the names Patriot Flying and Crawling Insect Killer, Patriot C and Patriot P. Bayer, the claimant, claimed it had used the mark in the UK since 1991 in relation to insecticides and preparations for destroying vermin.

The Defendant contended that the Claimant's insecticides were agricultural insecticides and not identical to its public health insecticides.

The judge on the summary judgment application, Patten J., considered that there could be some difference of such a minor nature that they could be ignored. He stated that "In order to meet the argument that there might be some differences of such a minor kind that they can properly be ignored and which under the old test applied by the English Court would in all probability have been ignored, the Court of Justice imported what is essentially the test of confusion based on the perception of the average consumer ...".

Patten J. went on to conclude that as far as determining the issue of identity was concerned a two-stage assessment needed to be made: first, were the marks actually identical? If they were, then no resort to the perceptions of the average consumer needed to be made: there was prima facie infringement, provided that the goods or services were identical too. If, on the other hand, the marks were not absolutely identical, then the question of whether the difference between the mark and sign was of any significance was a question to be determined by the court "applying not its own judgment but that of the average consumer with all the factual complexities which that imports".

Ultimately whether or not the extra letter would go unnoticed by the average consumer was a question of fact and in this case a triable issue, which was not suitable for summary judgment. In the absence of any real evidence, assumptions would have to be made regarding what the average consumer would consider to be a distinguishing factor. It would be wrong and unwise, the court held, to determine whether the average consumer would notice the words "Flying and Crawling Insect Killer" and the letters "C" and "P", without any evidence.

Where things stand

As a result of these cases applying the test of whether a mark and a sign are identical is no longer an easy task! Small differences (and even not so small ones) between a mark and a sign that consumers may not recall or do not recognise as being of trade mark significance may render identical a sign that objectively is different.

The meaning of 'identical' has been stretched far beyond the "strict interpretation" envisaged by Recital 10 of the Directive and reiterated by the ECJ in the **SADAS** case.

As Jacob L.J. observed in **Reed**, if the test is too broad there is a danger that the scope of s.10 (1) will overlap with that of s.10 (2), which is self-defeating. There is no advantage to be gained by including within the scope of s.10 (1) signs that are objectively different, if to determine that they are "identical" requires the application of a test of confusion equivalent to that under s.10 (2).

Such an approach may be appropriate if the only difference between the mark and the sign is an apostrophe or a hyphen or some other form of punctuation, but beyond that, the boundary between s.10 (1) and s.10 (2) will become blurred. The danger of introducing a subjective assessment of identity based on the perspective of an average consumer, as demonstrated in the **Patriot** case, is that evidence will be required as to what the average consumer would consider to be a distinguishing factor. This evidence would presumably take the form of consumer surveys which have in the past proved unpopular with litigants and the courts because of their cost and the unreliability of their findings.

There is, of course, an obvious advantage to claimants seeking to argue that there is an identity with a defendant's sign and goods, thereby avoiding the need to bring evidence of likelihood of confusion.

S.10 (1) should be kept for the situation where the mark and the sign are objectively identical in all respects, since in that situation confusion can be presumed.

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