



Neutral Citation Number: [2019] EWHC 849 (Ch)

Case No: CH-2018-0000320

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
ON APPEAL FROM THE TRADE MARK REGISTRY

Royal Courts of Justice
The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: 11/04/2019

Before :

MR JUSTICE BIRSS

Between :

Manpower Direct (UK) Ltd
- and -
Manpower Group Inc

Appellant

Respondent

Andrew Norris (instructed by **Harris da Silva**) for the **Appellant**
Alan Bryson (instructed by **Dorsey & Whitney (Europe) LLP**) for the **Respondent**

Hearing dates: 21st March 2019

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....
MR JUSTICE BIRSS

Mr Justice Birss :

1. This is an appeal from the Trade Mark Registry. The appellant (“MDUK”) provides security services in the UK and has done since 2003. The respondent (“MPI”) operates in the UK on a large scale providing temporary and permanent employment placement and recruitment services. Its brand is MANPOWER. Having started in the USA in the 1940s, MPI has been in the UK since 1956.
2. In 2016 MDUK applied for various UK trade marks in class 45 and 37. They include word marks and device marks, all including the word MANPOWER. Both sides’ marks and the relevant specifications of services are in Annex A to this judgment. MPI opposed the registration of these marks on various grounds. One ground was based on a prior UK registration for the word MANPOWER in class 35 under s5(3) of the Trade marks Act 1994. Section 5(3) provides:

“5(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

shall not be registered if, or to the extent that,

the earlier trade mark has a reputation in the United Kingdom
(or, in the case of a European Union trade mark or international
trade mark (EC), in the European Union)

and the use of the later mark without due cause would

take unfair advantage of,

or be detrimental to,

the distinctive character or the repute of the earlier trade mark.”
3. In summary, what has to be proved to make out a case under s5(3) is reputation, a link, and a relevant form of injury (or its serious likelihood). The argument on s5(3) was run on unfair advantage alone as the relevant injury. Ms A L Skilton, the hearing officer for the Registrar, the Comptroller General, upheld the opposition on the s5(3) ground and refused to register the marks. As part of that decision she also rejected a case based on honest concurrent use and rejected a fall back position in which MDUK sought to remove some services from the specification.
4. MDUK advance three grounds of appeal. The first is that the decision on s5(3) was flawed because the hearing officer carried out the comparison of the marks the wrong way and reached a flawed conclusion. It is said that the hearing officer wrongly focussed on the services actually offered by MDUK and not the full scope of the services for which the mark was applied for. The second ground is that the hearing officer erred in failing to address due cause under s5(3) specifically. The third is that the hearing officer erred because she was wrong to find that MDUK’s evidence was not sufficient to establish honest concurrent use.
5. There is no dispute before me about the Court’s approach to hearing appeals of this kind.

6. I can deal with the second and third grounds now. As for the second ground, Counsel for MDUK did not address it separately in his oral submissions. The point does not add anything to the first ground. If the appeal succeeds on the first ground then there may be a point on due cause which needs to be considered but if the appeal on the first ground fails then given the way the hearing officer dealt with the s5(3) issues, there was no need to deal with due cause separately. It does not follow from the obvious point that an absence of due cause is a necessary element in s5(3), that a decision maker must always and necessarily call out and distinctly analyse that point if it naturally arises from the other findings. That is particularly likely to be true in an unfair advantage case, when a finding of unfair advantage is likely to carry with it an absence of due cause. That is what the hearing officer did in the present case. She was in good company. MPI pointed out that in Jack Wills v House of Fraser [2014] EWHC 110 (Ch) Arnold J found unfair advantage established (paragraphs 104-110) without expressly addressing due cause either.
7. As regards the third ground (honest concurrent use), the hearing officer held (paragraph 160) that the evidence fell a long way short of allowing her to conclude that by the relevant date the average consumer had become exposed to the competing trade marks to such an extent that they are able to distinguish between them. She was entitled to reach that conclusion for the reasons she gave. The hearing officer pointed out that although there was evidence of use by MDUK since 2003, of awards from the Sunday Times in 2008, and details of tenders and contracts; it was not clear to what extent those contracts were performed if at all and there were no turnover figures in evidence, nor an indication of the amount spent on marketing and advertising, nor examples of advertising, nor information about market share or geographic reach. Her characterisation of what was lacking from the evidence was right. The fact that she did not, in that paragraph, refer to the specialist nature of MDUK's services, the list of MDUK's clients which was in evidence or MDUK's 200 employees does not undermine the hearing officer's conclusion. This ground is dismissed.
8. The real contest on this appeal is the first ground. I start by reviewing the judgment as a whole. After an introductory section, from paragraph 16 the hearing officer summarised the evidence filed by both parties. She made no error there. It was not in dispute that at 2003 MPI was well established in the UK with a turnover of about £½ billion. Nor was it in dispute that the services offered by MDUK, which can be naturally abbreviated to "security services", were a niche area and were heavily regulated.
9. After dealing with some preliminary issues from paragraph 70, at paragraph 74 the hearing officer correctly identified that her task was to determine which services MPI's reputation was based on and in the light of those findings to determine "whether the use of [MDUK's] marks, across the full range of services contained within its specifications would cause confusion, damage or take unfair advantage." This is the right approach. MDUK argues that while the hearing officer did set out the right approach she did not apply it.
10. In paragraphs 76-79 the hearing officer rejected reliance by MDUK on the state of the trade mark register and companies register. There is no suggestion this was an error.
11. The decision starts at paragraphs 80 – 86 with an accurate summary of the relevant law on s5(3). Paragraphs 81 and 82 which summarise the effect of the leading cases:

Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10, Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. Counsel for MDUK submitted that this summary was standard wording used by the Registry, as if that was a criticism. In effect the argument is that this summary has no value because it is always the same in every decision. I reject that. The registry is a specialist tribunal dealing with cases in a specific and well defined area of law. If in cases like this which do not raise any novel point of law, the repeated use of an accurate summary of the relevant law left the tribunal open to criticism, the tribunal would be damned if it did and damned if it didn't. That cannot be right.

12. I think the right way of looking at it is this. The real issue in this case is the submission that the tribunal erred in its application of the relevant law. The fact that the hearing officer accurately summarised the law works against that submission but does not by any means rule it out. Another point which counts against that submission is that this is a decision of a specialist tribunal, well familiar with this area of law. What is fair to say is that these two points are really the same point expressed differently. They are not cumulative.
13. At paragraph 87 to 91 the hearing officer dealt with reputation. One of the arguments was a submission by MDUK that the parties' logos had distinctive characteristics and colouring. The point of this submission was to seek to downplay the common word MANPOWER shared by both parties. At this stage in the argument the focus was on logos/devices used by MPI. The hearing officer rejected MDUK's case, holding at paragraph 90:

“90. [...] None of the devices alters the essential and consistent brand message used by [MPI] which is MANPOWER and it is in that word that its reputation rests.

91. I find that the earlier marks have a strong reputation in the UK (and therefore in the EU too for the purposes of the EU mark) in relation to recruitment of staff and the provision of staff.”
14. These findings on reputation were plainly open to the hearing officer and she did not err in making them.
15. Next the hearing officer addressed the question of a link. This was a critical part of the case. It is addressed in detail from paragraphs 92 to 123.
16. The section begins with an accurate summary of the law in paragraph 92 as follows:

“92. In *Intel Corporation Inc v CPM (UK) Ltd* (“Intel”) the CJEU provided guidance on the factors to consider when assessing whether a link has been established. It stated:

‘41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

The degree of similarity between the conflicting marks;

The nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;

The strength of the earlier mark's reputation;

The degree of the earlier mark's distinctive character, whether inherent or acquired through use;

The existence of the likelihood of confusion on the part of the public'."

17. The second factor in paragraph 42 of the quotation makes the point that one is to consider the services for which the conflicting marks were registered.
18. Then at paragraphs 93-94 the hearing officer correctly acknowledged the *Intra-Press* decision (Case C-581/13P and C-582/13P) which establishes that the level of similarity required to make a link for the purposes of s5(3) may be less than the level of similarity required to create a likelihood of confusion.
19. The hearing officer then turned to assess the similarity of the marks from paragraph 95, noting at paragraph 96 MDUK's case that the similarity was low because the common element – the word MANPOWER – is itself a common word which is a generic description of personnel resources.
20. The hearing officer analysed MDUK's word marks first. She found in paragraph 98 that the additional words aside from MANPOWER in them were descriptive and held that the word MANPOWER plays a greater role in the overall impression. Counsel for MDUK suggested the hearing officer erred here given the descriptive nature of MANPOWER itself. I do not agree. The finding which is a matter of degree, was clearly right.
21. In this paragraph the hearing officer used the phrase "the services offered by the applicant". Although the phrase could be read as referring only to the actual services which the applicant is offering today as opposed to the wider scope of the services in respect of which the marks have been applied for, the former is clearly not what the hearing officer meant. In context the phrase "the services offered by the applicant" or similar terms such as "the applicant's services" are being used to refer to the relevant services on the applicant's side of the case. In other words the term means the services in respect of which the marks have been applied for.
22. Visually and aurally the hearing officer found (paragraph 99) a medium degree of similarity. She finds a high degree of conceptual similarity in paragraph 100. Overall the findings about the similarities of the word marks were clearly right.
23. Turning to the device marks, the hearing officer analysed both of them carefully but held that the stylised features were not particularly distinctive. The figure of a man

simply reinforced the word MANPOWER. Both marks were similar to the MPI marks visually to a low to medium degree, aurally to a medium degree and conceptually to a high degree.

24. Having considered the inherent similarities between the marks, the hearing officer addressed the argument that the term MANPOWER was descriptive and held (rightly) that she was required to consider the earlier mark at least to have a low distinctive character.
25. Counsel for MDUK submitted that the hearing officer must have erred because she came to the same essential conclusion about the similarity of the word marks (visually – medium similarity, aurally – medium similarity, conceptually – high similarity) as for the device marks. It is said that this cannot be right given the impact of the stylised elements of the devices. I reject that. As the hearing officer found, the stylised aspects of the device marks added little to the marks. The dominant element was the word MANPOWER. There is no error here.
26. The hearing officer then held at paragraphs 109 – 110 that the level of reputation shown by MPI in respect of its MANPOWER marks was such that its distinctiveness had been elevated through use such that MPI's marks were highly distinctive of the opponent's services. This is another finding open to the hearing officer.
27. The hearing officer then turned to compare the services at paragraph 111:

“111. For the purposes of detriment and/or unfair advantage under section 5(3) of the Act it is not a requirement that there must be identity or similarity between the respective goods and services, however, the issue remains relevant to the overall analysis. In the current case, the reputation in the opponent's marks is in respect of recruitment and provision of staff in class 35. The applications are made for installation of CCTV in class 37 and a range of security services in class 45.”
28. Given the point taken on appeal, it is notable that in this paragraph the hearing officer has expressly addressed the services in respect of which MDUK have applied for trade marks and not simply the services actually offered by MDUK. To summarise the services sought in class 45 as a range of security services is appropriate.
29. Next the hearing officer dealt with the law on the comparison, starting with *Canon v MGM* at paragraph 112. At paragraph 114 the hearing officer reminded herself about the guidance given on the correct interpretation of specifications. That is relevant because there would be no need to do so if all the hearing officer had been concerned with was the services actually on offer.
30. Next the hearing officer addressed a point made by MPI by reference to evidence of the way MDUK described its own services, particularly focussing on providing security guards to customers. The point was that this would resonate with customers familiar with MPI's provision of temporary and permanent workers for various categories of jobs.

31. The critical part of the hearing officer's reasoning about the similarity of services and then on link are at paragraphs 120-123, as follows:

“120. On first impression the opponent's services in class 35 for the recruitment and provision of staff bear little resemblance to the applicant's security services. However, it is clear from a plain reading of the applicant's specifications that the services include [*manned guarding services*], in other words, the supply of security personnel. The opponent's services, given their core meaning, must include the provision and recruitment of staff fulfilling a security role, since its specification as registered is not limited to any particular category of worker. The opponent's own evidence shows opportunities on its website for IT security posts and there are examples of contracts to supply security staff to a company in Belgium. To this extent, there must be a degree of similarity between the respective services.

121. The applicant's trade marks also include, 'CCTV installation' in class 37. Having considered all of the necessary criteria such as users, uses, nature, trade channels, complementarity and whether or not the services are in competition, I can find no meaningful areas of similarity between these services and those for which the opponent has a reputation.

122. In the case of an opposition under section 5(3), the similarity of goods and services is not a necessary requirement but rather, one of the factors to be considered in establishing whether there would be a link. In this case, the opponent has a strong reputation for services in class 35, a highly distinctive mark which has been enhanced due to the use made of it and the applicant's marks all include the distinctive element MANPOWER, which is distinctive for the opponent's services.

123. I find that when the applicant's marks are encountered, even for the services that are somewhat different to those of the opponent, the opponent's reputation is such that the applicant's mark will cause the opponent's MANPOWER marks to be brought to mind. In other words, the relevant public will make a link between the parties' marks.

32. In paragraph 120 the decision actually reads “man-guarding services” but that is an obvious typographical error which is corrected above.
33. Counsel for MDUK makes various submissions about the reasoning set out above but before I address them it is necessary to continue the review of the decision. The matter of unfair advantage is considered from paragraph 124 onwards. Again the law is correctly set out, including the proposition that the opponent does not have to establish actual present injury but rather a risk which is not hypothetical of unfair

advantage or detriment (citing *Aktieselskabet af 21. november 2001 v OHIM*, Case C-197/07P).

34. From paragraph 132 the decision analyses the evidence of actual confusion which MPI relied on. This included evidence of confusion from one of MPI's customers, which the parties were prepared to treat as confidential. There was also evidence about how MDUK staff answer the telephone and evidence of an exchange between an investigator Mrs Hancorn and a Mr Alain at MDUK:

“I asked Mr. Alain further on the call if there was ever any confusion between ManpowerGroup and the Company. He answered:

‘Oh yes, of course. A lot of people call us and they say ‘we send our CV to you, looking for a job in hospital’ and we say ‘you are calling Manpower Security, you are not calling the agency. But we are Manpower Direct, that's the difference. We are not together.’”

35. The hearing officer drew all this together at paragraph 147 onwards, as follows:

147. In effect, the opponent's complaint is that the applicant is taking unfair advantage of the communication and quality functions of its MANPOWER trade mark as a reliable and well-trusted brand. I agree. I find that *prima facie* there is a risk, which is not hypothetical, that use of the contested mark will make it easier for the applicant to sell its security services to a section of the relevant public. Therefore, use of the contested mark is likely to affect the economic behaviour of such consumers in the applicant's favour.

148. The examples of actual confusion provided by the opponent, support my finding that the risk here is more than hypothetical, particularly the evidence of a former customer of the opponent being confused as to the potential supplier of security personnel.

149. Furthermore, the evidence indicates that the applicant has done little to alleviate possible confusion. Ms Hancorn's evidence shows a senior member of the applicant's staff answers the telephone to external callers using the company identity MANPOWER. The applicant provides some of its personnel with jackets branded simply MANPOWER. Neither of these points to a business keen to assert its own identity.

150. I therefore accept the claim of unfair advantage with regard to all of the services, in classes 37 and 45 applied for by the applicant.

36. As a result MPI's opposition was upheld.

MDUK's submissions

37. MDUK's submissions were as follows. The first is that the hearing officer fell into error and focussed only on the services actually offered by MDUK at the moment rather than the services applied for. That is focussed on paragraph 120 above and also on paragraph 148 and the fact that the evidence of confusion could only relate to the services actually offered by MDUK. The second is that the hearing officer wrongly considered MPI's mark to be highly distinctive when it is the opposite since it is descriptive of the very services offered by MPI. That is focussed on paragraph 122 above. The third is that the hearing officer erred in failing to take account of the specialist regulated nature of security services, which was addressed in the evidence and which served to make a link much less likely. The fourth is that the hearing officer failed to consider whether the parties' services were addressed at overlapping groups of customers. The fifth is a challenge to the observation in paragraph 149 that MDUK has done little to alleviate possible confusion and is not a business keen to assert its own identity. So it is argued that overall the hearing officer erred in finding the existence of a link and a risk of an unfair advantage. She ought to have rejected the opposition either as a whole or for services other than those actually used by MDUK.
38. Turning to the first point, paragraph 120 is concerned with class 45. The hearing officer was right and entitled to focus on manned guarding services as illustrative of the point that while at first sight the applicant's services (i.e. services applied for by MDUK) bore little resemblance to MPI's services, when one understands that the services applied for include the supply of security personnel then there is "a degree of similarity".
39. It is true that paragraph 120 does not run through all the text of the specification of services in class 45 but it was not necessary to do so, as I shall explain. All the services applied for are related to security and in fact most of them do include the provision of security personnel (to pick one example "door supervisors (managing clubs and bars)") but it is fair to say that a few do not – such as perhaps "CCTV monitoring" and "key holding and alarm response and lock and unlock services". I refer to these other services as "the security services residue".
40. However paragraph 120 is followed by paragraph 121. In that paragraph the hearing officer addressed the services in class 37 – "CCTV installation". The finding (obviously right) was that there were no meaningful areas of similarity between these services in class 37 and those for which MPI has a reputation. Accordingly, having reviewed the services sought by MDUK the hearing officer has found that some bear a degree of similarity and some bear no meaningful similarity at all. So the hearing officer has covered the best case for MPI (a degree of similarity) and the best case for MDUK (no meaningful similarity). Then at paragraph 123 the hearing officer concludes that when MDUK's marks are encountered even for the services which are somewhat different to those of MPI, MPI's reputation is such that the relevant public will make a link. So the finding was made even on MDUK's best case. Subject to the other grounds, that was clearly a conclusion the hearing officer was entitled to reach and it carried with it the security services residue in class 35.
41. If the security services residue in class 35 had been different in some relevant way from the services under consideration then they ought to have been addressed

distinctly but they were not. By approaching the matter in this way the hearing officer has considered everything that needed to be considered and reached a conclusion about the link which was open to her on the evidence.

42. The evidence of actual confusion necessarily only arises from activities actually carried out by MDUK. However the fact it was taken into account when considering unfair advantage does not indicate that the hearing officer was erroneously focussing only on those services. Moreover such evidence does not lose all its relevance simply because one needs to consider other services. It will always be a matter of degree. In this case the decision shows that the hearing officer had in mind the fact that the evidence was only concerned with the supply of security personnel, since that point is mentioned expressly in paragraph 148 itself. Finally, it bears pointing out that the hearing officer only regarded the evidence as supportive.
43. Overall I am not satisfied that the decision contains any error arising from the hearing officer's approach to the services in respect of which the marks are applied for.
44. The second point is aimed at the view that MPI's mark was highly distinctive. There is no error here. The decision shows that the hearing officer correctly understood that the word MANPOWER when applied to the provision of staff (etc.) is inherently descriptive. She had ample evidence about the extent and nature of MPI's reputation and the usage of the mark. She was entitled to hold that the mark had acquired a high degree of distinctiveness.
45. As part of this argument, Counsel for MDUK also argued that the hearing officer had erred by in effect taking the mark's reputation into account when assessing the similarity of the marks. It is important to understand that this is really a methodological submission. The point is not that it was illegitimate to take the reputation acquired by the marks into account as part of the overall assessment of a link. Far from it. The argument is that at the particular stage in the assessment, when comparing the marks themselves, reputation should not be taken into account and the hearing officer erred in doing so (see e.g. *Ravensburger v OHIM* Case T-243/08 at paragraph 27). The simple answer to this submission is that the hearing officer did not do what counsel contends. The conclusions about similarity of marks (such as visually a low to medium degree of similarity etc.) are reached by the hearing officer before she goes on to look at reputation. I reject this submission.
46. The third point is about licensing. The hearing officer addressed it in the earlier sections of the decision which I have not quoted from. The paragraphs include a clear recognition that MDUK wished to emphasise that its services had to be licensed because they related to security whereas MPI's were not. The hearing officer rightly held at paragraph 75 that the fact a licence was needed to operate in the security sector was not relevant.
47. The fourth point was about overlapping customers. The argument is that the hearing officer did not address whether the parties' services were addressed at overlapping groups of customers. The answer to that submission is simple. The customers clearly do overlap and there is no basis for undermining the decision on this point.

48. The fifth point is about paragraph 149. The evidence showed clear examples of the use by MDUK of the word MANPOWER alone. The hearing officer's finding was justified and relevant.
49. Standing back, in this case an earlier mark based on a word which is descriptive of the services in question has been successfully used to oppose later marks, including device marks, based also on that descriptive word for services for which it is descriptive too. Without the very substantial reputation of MPI as shown in the evidence in this case the outcome would very likely have been different. If the stylised parts and other words in MDUK's marks had been more distinctive and/or without the evidence of actual confusion and of the manner in which MDUK had been operating, then the outcome might have been different. However with all these aspects the way they were, I am not at all surprised by the outcome.

Conclusion

50. The appeal is dismissed.

Annex A

The appellant's five marks:

51. All five trade marks are registered for the following services:

Class 37
CCTV installation.

Class 45
Security services for the protection of property and individuals, manned guarding, parking security and management, mobile security controls, events & security management, security control room services, security access control services, door supervisors (managing clubs and bars), barrier & gatehouse security, rail track security patrolling, security foot patrolling, security stewarding and security services for vacant property, CCTV monitoring, key holding and alarm response and lock and unlock services.

52. The marks themselves are:

UKTM: 3 164 900



Applied for on: 16 May 2016
Published on: 17 June 2016
Classes: 37 and 45

UKTM: 3 164 894

Manpower Direct Security

Applied for on: 16 May 2016
Published on: 17 June 2016
Classes: 37 and 45

UKTM: 3 164 898

Manpower Security

Applied for on: 16 May 2016
Published on: 29 July 2016
Classes: 37 and 45

UKTM: 3193781



Applied for on: 28 October 2016
Published on: 11 November 2016
Classes: 37 and 45

UKTM: 3164895

Manpower Direct

Applied for on: 16 May 2016
Published on: 17 June 2016
Classes: 37 and 45

The respondent/opponent's marks:

53. The respondent/opponent's two registered marks are:

Mark details and dates	Goods and services
EUTM: 76 059 MANPOWER Filed: 1 April 1996 Registered: 13 January 2000	Class 9 [] Class 16 [] Class 35 Employment agency services; temporary personnel services. Class 41 [] Class 42 []
UKTM: 1 556 077 MANPOWER Filed: 8 December 1993 Registered: 8 September 1995	Class 35: Provision of temporary staff; recruitment of staff for temporary employment; all included in class 35.

The text of the less relevant services for the EU trade mark is not reproduced.