

O-640-19

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3272719
BY HOSPICE FUNERALS LLP
TO REGISTER AS A TRADE MARK:**



HOSPICE FUNERALS

IN CLASSES 35, 36 AND 45

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 412187
BY ASHGATE HOSPICE (AND 16 OTHERS)**

Background and pleadings

1) Hospice Funerals LLP (hereafter “the applicant”) applied to register the trade mark 3272719 on 23 November 2017, in respect of the following mark:



HOSPICE FUNERALS

2) It was accepted and published in the Trade Marks Journal on 12 January 2018 in respect of the following services:

Class 35: *Advertising; business management; business administration; office functions; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), namely precious metals and their alloys, jewellery, precious and semi-precious stones, jewellery, including imitation jewellery, for example, paste jewellery, bracelets [jewellery] / bracelets [jewelry], bracelets made of embroidered textile [jewellery] / bracelets made of embroidered textile [jewelry], bracelets [charity], bead bracelets, charity bracelets, silver-plated bracelets, stainless steel jewelry bracelets, wooden bead bracelets, imitation leather key chains, leather jewelry and accessory boxes, bracelets made of leather, faux suede, non-precious metals, paper and cardboard, printed matter, photographs, stationery and office requisites, except furniture, adhesives for stationery or household purposes, advertisement boards of paper or cardboard, banners of paper, drawing boards, document holders [stationery], document files [stationery], engraving plates, engravings, flyers, forms, printed, greeting cards, announcement cards [stationery], catalogues, newsletters, office requisites, except furniture, pads [stationery], pamphlets, paper sheets [stationery], photograph stands, postcards, posters, printed matter, printed publications, writing materials, writing instruments, advertising pamphlets, advertising publications,*

advertising posters, advertising signs of paper, advertising signs of cardboard, printed advertising boards of cardboard, printed advertising boards of paper, advertising signs of paper or cardboard, brochures about hospice care, funerals, cremations, leaflets about hospice care, funerals, cremations, informational sheets about hospice care, funerals, cremations, informational flyers featuring hospice care, funerals, cremations, containers, not of metal, for storage or transport, coffin fittings, not of metal, coffins, display boards, display stands, funerary urns, hospital beds, identification bracelets, not of metal, lecterns, funeral caskets of wood, funeral caskets of wicker, capsules of plastic or wood for containing cremation remains or memorabilia, caskets [coffins], capsules of crystal, china, terra cotta, earthenware, glass, porcelain for containing cremation remains or memorabilia, sacks for the transport and storage of materials in bulk, padding, cushioning and stuffing materials, except of paper, cardboard, rubber or plastics, body bags, packing [cushioning, stuffing] materials, not of rubber, plastics, paper or cardboard, padding materials, not of rubber, plastics, paper or cardboard, straps, not of metal, for handling loads / belts, not of metal, for handling loads, slings, not of metal, for handling loads, wadding for padding and stuffing upholstery, storage bags for holding a body prior to cremation, storage bags for cremation, clothing, footwear, headgear, cyclists' clothing, neck scarves [mufflers] / neck scarfs [mufflers] / mufflers [neck scarves], shirts, tee-shirts, flowers, natural, flowers, dried, for decoration, plants, dried, for decoration, wreaths of natural flowers, funeral wreaths, arrangements of dried flowers for decorative purposes, arrangements of natural flowers, garlands of natural flowers, preserved flowers, enabling customers to conveniently view and purchase those items; retail services in connection with the aforementioned goods; services consisting of the registration, transcription, composition, compilation or systematization of written communications and registrations, and also the compilation of mathematical or statistical data; services relating to the distribution of prospectuses, directly or through the post; advertising in connection with other services, such as those concerning bank loans or advertising by radio; administrative processing of purchase orders; advertising / publicity rental of advertising space; production of advertising films; appointment scheduling services; rental of billboards; business management

assistance; providing business information via a web site; commercial information and advice for consumers in the choice of products and services; commercial administration of the licensing of the goods and services of others; compilation of information into computer databases; compiling indexes of information for commercial or advertising purposes; cost price analysis; demonstration of goods; dissemination of advertising matter; market studies; marketing research; marketing; publication of publicity texts; radio advertising; targeted marketing; writing of publicity texts; administration of prepaid health care plans; administrative management of health care clinics

Class 36: *Insurance; financial affairs; monetary affairs; services rendered by agents or brokers engaged in insurance; services rendered to insured; insurance underwriting services; financial management; financial information; providing financial information via a web site; financing services; administration of funeral plans concerning insurance and finance; planning of finances relating to taxation; pre-paid funeral expense services*

Class 45: *Legal services; security services for the physical protection of tangible property and individuals; services provided to individuals in relation with social events, including funeral services; crematorium services; embalming services; conducting funeral ceremonies; funerary undertaking; conducting religious ceremonies; funeral services; funeral home services; funeral arrangement services; conducting funeral ceremonies; funeral services accompanying cremation; cremation services; organising meetings of bereaved families to commemorate the death of a loved one; burial services*

3) Ashgate Hospice and 18 others originally opposed the trade mark, but subsequently two of the original opponents withdrew. A full list of the remaining 17 opponents is in the Annex to this decision (hereafter “the opponents”). They oppose the trade mark on the basis of section 3(3)(b) and section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In respect of the first ground, the opponents claim that:

- (a) the applicant’s mark gives a false impression that the business concerned is a hospice, or providing hospice services, or part of the hospice movement, and;

(b) use of the word HOSPICE as an element of the mark misleads the public into believing that the funeral services provided by the applicant have been endorsed, recommended by or are linked in some capacity with the joint opponents when it is not the case.

4) The section 5(4)(a) ground is based upon a claim of passing off in its extended form. Each of the opponents is claimed to individually and severally have an economic interest in the word HOSPICE. As a result of the work they do, as well as every other hospice in the UK, namely, provide hospice care services, goodwill and reputation in the word has been established by all hospice care providers. They claim that the public associate the word HOSPICE with hospice care providers. Therefore, the opponents further claim that the applicant's use of the word HOSPICE "gives rise to liability for misrepresentation which in turn has the potential to cause serious damage to the reputation of the established hospices. They assert that by incorporating the word HOSPICE into its mark, the applicant misrepresents that there is an association between its services with the services provided by reputable hospices

5) The applicant filed a counterstatement denying the claims made.

6) Evidence has been filed by both parties. This will be summarised to the extent that it is considered appropriate/necessary. A Hearing took place on 29 August 2019, with the opponents represented by Mr Tom St Quintin of counsel, instructed by Womble Bond Dickinson (UK) Ltd; and the applicant by Dr Daniele Selmi of counsel, instructed by Clarke Wilmott LLP.

DECISION

Evidence

7) The opponents' evidence takes the form of a witness statement by Tony Collins, Chief Executive of Saint Michael's Hospice, one of the opponents. Mr Collins states that he has worked within the hospice sector for 21 years and has acted as CEO for

4 independent hospices and claims to have gained specialist knowledge of the work hospices provide. For the last 4 years, he has been a trustee of HospiceUK and chair of its Advisory Council. It is the national charity for hospice care with over 200 hospice members in the UK.

8) Mr Collins provides information regarding the role of hospices and facts and figures regarding the scale of their activities in the UK.

9) The applicant's evidence takes the form of a witness statement by Ann Leslie Lee, Chief Executive Officer of St Margaret's Hospice and its subsidiaries, including St Margaret's Funerals Ltd, a partner of the applicant. Ms Lee has spent over 39 years working in the healthcare industry. She has held her current post since 2015, but was Director of Nursing, Clinical Director and Deputy CEO at the same hospice between 1999 and 2015.

10) Ms Lee also provides information regarding the role of hospices and the scope of services they provide and information regarding how hospices are funded. Ms Lee also provides information on the applicant's business model.

Section 5(4)(a)

11) Section 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.”

12) 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).”

13) In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in the a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on

evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that

any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson L.J. said at page 547:

‘...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged “passer off” seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.’ ”

14) The opponents rely upon a claim of extended passing off based upon their economic interest, individually and severally, in the word HOSPICE. They claim that use of the applicant's mark in respect of any of its services makes a false representation that it is, or is used by, a hospice and that this misrepresentation damages the opponents' collective goodwill. The Court of Appeal has held that the extended form of passing off may exist in circumstances where the essential characteristics for a valid cause of action in passing off are present and that there was no exceptional feature present which might justify, on grounds of public policy, withholding from a person who has suffered injury in consequence of the deception

practised on prospective customers or consumers of his product a remedy in law against the deceiver¹.

Relevant date

15) Firstly, it is necessary to identify the relevant date(s) for assessing if section 5(4)(a) of the Act. This has been discussed by Mr Daniel Alexander QC sitting as the Appointed Person in *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11. A summary of the position provided by Allan James, for the Registrar, in *SWORDERS TM O-212-06* was quoted with approval and I reproduce it below:

“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.”

16) The relevant date for the purposes of these proceedings is the filing date of the contested application, namely 23 November 2017. In the absence of a claim that there is any other relevant date, this is the only relevant date for assessing the issue of passing off in these proceedings.

Goodwill

17) There must be goodwill before there can be misrepresentation leading to damage.

¹ per Lord Fraser of Tullybelton in *Erven Warnink B.V. and Another v J. Townend & Sons (Hull) Ltd. and Another* [1979] FSR 397 (HOL):

18) Mr St Quintin relied upon a recent decision of HHJ Hacon in *The Military Mutual Limited v Police Mutual Assurance Society Limited & Ors* [2018] ETMR 33 that reviewed and summarised the relevant principles of extended passing off. In respect of the issue of goodwill, Mr St Quintin identified the following elements of that decision:

- In the extended form passing off, rather than the indicator or indicia to which goodwill attaches being associated with the business of a single trader, it is attached to a particular type of product or service²;
- that the name relied on is distinctive of the collective trade in a type of product or service among a significant proportion of the public³;
- Relevant factors in assessing the existence of goodwill are that the type of service in issue must be susceptible of clear definition and the class of traders who supply that type of product must be sufficiently clear. The two are necessarily related⁴;
- A clear definition of the protected class is needed so that it can be identified who falls within the protected class and who does not⁵ and it is necessary to set boundaries that delineate what is protected and who shares ownership of it⁶;
- The fact that a name is exclusively associated with a particular type of offering is not sufficient. The name must also attract custom, because it denotes a special quality of the goods or services with which the name is exclusively associated⁷;
- Any one of the class of relevant traders has a relevant cause of action⁸ and is entitled to bring an action to prevent misrepresentations that damage the goodwill of the class as soon as he has traded in the relevant class to an

² *The Military Mutual*, paras 14 and 67

³ Ditto, paras 22 and 67

⁴ Ditto. Paras 23 - 25

⁵ Ditto, paras 26 and 27

⁶ Ditto, para 28

⁷ Ditto, para 35 to 38

⁸ Ditto, para 22

extent above de minimis⁹. It is arguable that he must have traded to a sufficient extent to generate his own goodwill¹⁰.

19) Mr St Quintin submitted that the applicant's submission that the word "hospice" is descriptive serves to illustrate that collective goodwill exists that is identified by the term.

20) The applicant submits that the opponents cannot rely upon the term "hospice" because the term is too imprecise. Dr Selmi also referred to the comments of HHJ Hacon in *The Military Mutual* where he stated¹¹ that "...use of the name in question cannot be the exclusive preserve of a class of traders if it is hard to tell who falls within the class and who does not, and thus who is entitled to use the name and who is not". Dr Selmi pointed to evidence illustrating the differing ranges of services provided by hospices to support the contention that the term was too imprecise. Mr St Quintin relied on the comments of the Court of Appeal in the *VODCAT* case¹², where Patten L.J. observed that whilst the term VODKA has is a clear description, there is also scope for wide variety in terms of what it is made from, how it is distilled, if it is filtered or unfiltered and its alcoholic strength. Despite these variables, the term VODKA was still found to be sufficiently precise for a collective goodwill to reside¹³.

21) The word "hospice" is defined as "A home providing care for the sick or terminally ill. [as modifier] 'hospice workers'¹⁴. Mr Collins states in his witness statement that hospices "provide a range of services within the care sector, such as in-patient units, out-patient day services, and community services"¹⁵ and that "hospice care" is based on providing physical and emotional support to people who have been diagnosed with a terminal illness"¹⁶. A report prepared by Hospice UK is provided¹⁷ and lists the following as part of a range of services which may be provided by a "hospice care provider":

⁹ Ditto, para 41

¹⁰ Ditto, 39 to 41

¹¹ Ditto, para 26

¹² *Diageo North America Inc. v Intercontinental Brands (ICB) Ltd*, [2011] RPC 2 (COA)

¹³ Ditto

¹⁴ <https://www.lexico.com/en/definition/hospice>

¹⁵ Mr Collins' witness statement, para 6

¹⁶ Ditto, para 5

¹⁷ At Exhibit TC2

- Pain and symptom control;
- Psychological and social support;
- Rehabilitation – helping patients to stay independent;
- Complementary therapies, such as massage and aromatherapy;
- Spiritual care;
- Family care;
- Practical and financial advice;
- Bereavement care.

22) The key issue under passing off law is whether the name HOSPICE is distinctive of a particular type of service. Mr Collins' evidence that it denotes services provided at a facility providing care and support for the terminally ill identifies, what is a clearly definable characteristic of the services. Such a definition is supported by the definition found in the dictionary. The opponent claimed that the position is analogous to that of the *ADVOCAAT* case¹⁸ where it was observed that just because there are variations on the recipe for the Advocaat drink, it does not mean that term is not sufficiently precise for the purposes of establishing collective goodwill. I agree. The services listed above are, following the *ADVOCAAT* analogy, ingredients that may or may not be present in the provision of services provided at a facility providing care and support for the terminally ill, without impacting upon the ability of such services to serve as a clearly definable characteristic of hospices.

23) Further, whilst I acknowledge that the NHS can also provide hospice care¹⁹, this does not prevent the class of traders who provide hospice services from being sufficiently clear as illustrated by the fact that Hospice UK represents 194 charitable hospices in the UK that it collectively describes as “the hospice sector”²⁰. The only obvious distinction between NHS hospice care and charitable hospices appears to be funding sources. There is no evidence to suggest that NHS hospices provide services outside the definitions identified earlier.

¹⁸ *Erven Warnink B.V. and Another v J. Townend & Sons (Hull) Ltd. and Another* [1979] FSR 397 (HOL)

¹⁹ Exhibit TC2, page 4

²⁰ See Exhibit TC3

24) This finding appears consistent with the finding of the Court of Appeal in the *VODCAT* case when it upheld the finding at first instance that:

- based on the evidence, “vodka” did donate a clearly defined class of goods despite the existence of minor variations such as flavoured vodka;
- the relevant public had come to regard the term “vodka” as donating a particular class of alcoholic beverage.

25) In the current case, the evidence and the dictionary definition illustrate that the services of a hospice are clearly defined, even though the precise services may vary from hospice to hospice and the relevant public is likely to understand the term “hospice” as donating a particular class of services, namely services provided at a facility providing care and support for the terminally ill.

26) Having reached the conclusion that the term “hospice” sufficiently defines a class of services and that the class of traders providing such services is also sufficiently clear I must assess if the opponents share in the goodwill attached to the name “hospice”. All the joint opponents are hospices and, as such, in the absence of a challenge to the contrary, it is reasonable for me to infer that they provide hospice services. Therefore, I conclude that they have a share in the goodwill generated under the name ‘hospice’ in the UK.

Misrepresentation

27) 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."

28) Mr St Quintin submitted that the applicant's mark represents that the services provided under it are funeral services offered by a hospice and that this is false because the applicant does not operate a hospice. He pointed out parts of the evidence that support this, but it is not necessary for me to detail it here. It is important to keep in mind that the proceedings relate to a challenge to the application to register a trade mark and not to the marketing strategy of the applicant. Consequently, I am required to assess the application based upon the list of services contained in its specifications and not just how the applicant currently operates or markets itself. The listed services are not limited to being provided by hospices or in conjunction with hospices. On a plain reading of the applicant's specifications, the services listed may be provided in a way that has no link with hospices and, therefore, despite Mr St Quintin's submissions being focused on the current marketing strategy of the applicant, it applies equally to the list of services provided in the application's specifications.

29) Dr Selmi alleged two weaknesses with the opponent's arguments. Firstly, he contended that it is wrong on the facts and that the applicant intended to work in partnership with hospices. As I have already noted, the marketing strategy of the applicant is not the issue before me. I must consider the contested application, and this includes services that are not limited to being provided by, or in conjunction with hospices. Consequently, this submission does not assist the applicant.

30) Secondly, Dr Selmi alleges that the opponent's arguments are wrong in law because even if, as I have found, that the services of a "hospice" are susceptible to a clear definition, funeral services are part of that group. He pointed to the fact that the applicant has a genuine hospice as a member and that it operates on a franchise model with hospices and concluded that there is a direct franchise model between the parties. Firstly, I accept that there may be close associations developed between hospices and local funeral service providers, but there is nothing before me to suggest that they are services currently perceived by the public as hospice services. The same can be said of advertising, retail, insurance or legal services. Therefore, I reject the claim and in doing so, distinguish the factual background here to that relied upon by Mr Selmi in *Military Mutual*²¹. There is nothing before me to suggest that hospices provide such services themselves or that there is an expectation that they would. The business model of the applicant is the only indication to the contrary, but the evidence shows that its partnering with hospices is in its infancy and insufficient to influence my finding. Secondly, I reject the argument insofar as it is based upon the applicant's business model for the reasons I set out earlier.

31) Taking all of the above into account, I conclude that based upon the full range of services claimed in the contested application, there is the probability that a substantial number of members of the public will be misled into using the applicant's services in the mistaken belief that they are provided by an undertaking that also provides hospice services. The high standing in which those providing hospice services are held is likely to attract a significant number of consumers to those providing other services under that name.

²¹ Paras 124 - 126

Damage

32) In *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millet L.J. described the requirements for damage in passing off cases as follows:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the Lego case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”

33) It is clear, therefore, that the Court of Appeal envisaged the existence of various types of damage. The opponent referred to HHJ Hacon in *Military Mutual* when he restated²² that if the elements of goodwill and misrepresentation are established, then damage is almost certain to follow. In the current case, the opponent has identified the following forms of damage that, it submits, will apply in the current case:

- the presence of services provided by a commercial undertaking will:
 - dilute the power of the name “hospice” to refer to the activities of hospices and their fundraising activities;
 - undermine the trust the public have in the name “hospice” as a reliable indicator that activities are carried out by a hospice;

²² At para 65

- result in genuine hospices losing control of the goodwill attached to the term and the applicant will appropriate the term for use to the exclusion of genuine hospices in respect of the services listed in the contested application;
- the belief that hospices are providing commercial funeral services, and any other of the services listed in the contested application, will be considered distasteful and unethical by at least a significant section of the public. This will lead to damage to the ability of hospices to exploit their collective goodwill to raise funds.

34) Dr Selmi submitted that these alleged types of damage will not occur because the applicant intends to partner with local hospices under a franchise model so there can be no reputational damage. Further he pointed to the evidence of the applicant²³ illustrating that it has support from both within the hospice movement and from the general public. These submissions all focus on the applicant's business model, but as I have pointed out previously, I must consider the challenge to the application and not to the business strategy of the applicant. The list of services in the application do not limit the services as being provided via such a business strategy. Therefore, I dismiss this submission.

35) I agree with Mr St Quintin that the types of damage he identified are likely to occur.

Section 3(3)(b)

36) At the hearing Mr St Quintin indicated that the opponents' primary case is that based upon a claim of extended passing off but that, if they were not successful in that respect, they also relied upon their claim based upon section 3(3)(b). As the opponent has been successful, I will comment on this ground only briefly. This section of the Act reads:

“(3) A trade mark shall not be registered if it is-

²³ Ms Lee's witness statement, para 17 and Exhibit ALL12 – ALL 17

(a) [...]

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

37) Section 3(3)(b) of the Act derives directly from article 3(1)(g) of the Directive. Mr St Quintin directed me to the judgment of the Court of Justice of the European Union (“the CJEU”) in *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04, paragraphs 46 - 50 where it held that there must be actual deceit or a sufficiently serious risk that the relevant consumer will be deceived. I also add that in the same case, the Court of Justice of the European Union (“the CJEU”) held that the deception must be attributable to the nature of the mark itself (as opposed to the way in which it is used).

38) An objection under section 3(3)(b) should therefore only be raised if there is a real, as opposed to a purely theoretical potential for deception of the public. In the *Consorzio per la tutela del formaggio Gorgonzola*, the CJEU stated:

“41. As to that, the circumstances contemplated in Article 3(1)(c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the other two relevant provisions of that directive - refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C- 470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).”

39) There is no evidence of actual deceit and I must, therefore, consider if there is a sufficiently serious risk that the relevant consumer will be deceived. At the hearing, Mr St Quintin submitted that, for the same reasons that the mark will cause misrepresentation, its inherent properties mean that it will lead consumers to believe

or will present a sufficiently serious risk that consumers will be led to believe, that all services offered are funeral services offered by a hospice.

40) Dr Selmi submitted that the opponent's case is predicated on exactly the same arguments as relied upon for section 5(4)(a) and chose to say no more on the issue at the hearing.

41) Once again, I keep in mind the list of services of the contested application, rather than the business model being employed by the applicant. Mr St Quintin's submissions are based upon who is using the mark rather than on the nature of the mark itself in relation to the services covered by the application. This is an extension of the relative ground arguments of the opponent. Consequently, I agree with Dr Selmi and I find that the ground based upon section 3(3)(b) fails in its entirety.

Summary

42) The opposition has been successful in respect of the section 5(4)(a) grounds and the application is refused in its entirety. The opponent's has failed in its opposition based upon section 3(3)(b).

COSTS

43) As the opponent has been successful, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent costs as a contribution towards the costs of the proceedings, as follows:

Preparing a statement and considering the applicant's statement (including official fee of £200)	£500
Preparing evidence and considering other side's evidence	£800
Preparing for, and attending hearing	£700
Total	£2000

44) I therefore order Hospice Funerals LLP to pay the opponents (the full list of whom are set out the Annex to this decision) the sum of £2000. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 24th day of October 2019

Mark Bryant
For the Registrar
The Comptroller-General

ANNEX – Full List of Opponents

1. Ashgate Hospice
2. Barnsley Hospice
3. Bluebell Wood Children's Hospice
4. Dove House Hospice
5. Herriot Hospice Homecare
6. Kirkwood Hospice Lindsey Lodge Hospice
7. Overgate Hospice
8. The Prince of Wales Hospice
9. Rotherham Hospice
10. Saint Catherine's Hospice
11. Saint Michael's Hospice
12. St. Andrews Hospice
13. St. Barnabas Hospice
14. St. Gemma's Hospice
15. St. Leonards Hospice
16. St. Luke's Hospice
17. Wakefield Hospice