

Case No: A3/2014/3075 & 3076

Neutral Citation Number: [2016] EWCA Civ 41

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION (Intellectual Property)
Mr Roger Wyand QC (sitting as a Deputy High Court Judge)

[2014] EWHC 185 (Ch)
Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 08/02/2016

Before:

LADY JUSTICE ARDEN
LORD JUSTICE KITCHIN
and
LORD JUSTICE LLOYD JONES

Between:

Comic Enterprises Ltd

- and -

Twentieth Century Fox Film Corporation

Claimant
Respondent
Defendant
Appellant

Douglas Campbell (instructed by Wragge Lawrence Graham & Co LLP)
for the Claimant/Respondent

Iain Purvis QC and Simon Malynicz (instructed by Simmons & Simmons LLP)
for the Defendant/Appellant

Hearing dates: 3/4/5 November 2015

Judgment

Lord Justice Kitchin:

Introduction

1.

These are appeals and cross-appeals from orders made by Mr Roger Wyand QC sitting as a deputy judge of the High Court on 10 April 2014 and 24 July 2014. The proceedings concern a dispute about the right to use the word 'glee' as the name for a TV drama series.

2.

The claimant ('CEL') operates a number of entertainment venues in the UK. This entertainment has generally taken the form of stand-up comedy acts but, since 2002, it has also included live and recorded music and nightclub and cabaret entertainment. By the end of 2009, which is accepted by the parties to be the relevant date for the purposes of these proceedings, CEL had two venues, one in Birmingham and the other in Cardiff. They opened in 1994 and 2001 respectively. In April 2010 CEL opened a third venue in Oxford and in September 2010 it opened a fourth in Nottingham.

3.

CEL is the owner of UK registered trade mark number 2200698 ('the Mark'). This is a registration of a series of two device marks which look like this:



4.

Each device includes the words 'the glee CLUB' written in a particular script and presented in a cone of light from a spotlight. It is accepted for the purposes of this appeal that nothing turns on the differences between them.

5.

The Mark was registered in 2001 in respect of a wide variety of goods and services in classes 25 and 41 but by the order of 24 July 2014 it was partially revoked for non-use with effect from 21 April 2006, and the specification was limited to the following services in class 41:

"Live comedy services; night club and cabaret entertainment; music hall services; provision of live and recorded music; dancing; provision of facilities for comedy and music entertainment; production and presentation of live shows and displays and the presentation of sound recordings."

6.

By the end of 2009 CEL had made extensive use of the Mark in connection with its business and the provision of the services the subject of the limited specification; and the Birmingham and Cardiff venues used external signage very similar, if not identical, to the Mark.

7.

The external signage used for the Oxford venue was rather different and looked like this:



8.

As may be seen, the spotlight has been removed and the word 'the' has been reduced in size relative to the word 'glee'. Moreover, the word 'club' is rendered largely invisible at night time, as shown in the image below:



9.

The sign above the door of the Nottingham venue was also different. It consisted simply of the word 'glee' and, to each side of the door, the words 'café glee' appeared in other signage. The venue looked like this:



10.

There has been extensive use of the Mark inside each of the venues ever since they opened. But I should also explain that the backdrop to the stage of each of the venues has always been dominated by the word 'glee' written in letters about 10 feet high, as shown below:



11.

In addition, CEL has promoted its business using the words 'the Glee Club' and often just the word 'glee' alone. For example, its promotional e-mails are known as 'Gleemails'; events are promoted through the website www.lee.co.uk; and, since February 2009, it has had a Twitter account '@theGleeClub'.

12.

CEL's business has been very successful. Frederick Tughan, a director and the sole shareholder, explained that it initially targeted men and women between about 18 and 34 years old and that it has attracted a good deal of publicity. In 2008 the turnover through the Birmingham and Cardiff venues amounted to around £2,400,000.

13.

The defendant ('Fox') is the well known US entertainment company. In late 2009 it launched in the US and in the UK a musical comedy television series called 'glee'. By the time of the trial, glee was in its fourth season. Seasons one and two were broadcast on E4, and seasons three and four on Sky.

14.

Glee is a musical comedy series about a high school singing club at the fictional William McKinley High School in Ohio. This club is called New Directions and it competes with singing clubs in other schools in what is described as the show choir competition circuit. The series has been characterised as light entertainment but has featured stories concerning relationships, sexuality, race and disability which were intended to resonate with young people at that time confronting such issues and with adults who had done so in the past.

15.

There can be no doubt that glee has also been very successful and it has achieved high ratings in the UK and abroad. Viewing figures in the UK for the second series averaged 2.2 million, making it the highest ranking series on non-terrestrial television. By the time of the trial it had won six Emmy awards, four Golden Globe awards and two BAFTA nominations. It had also generated a great deal of publicity. There had been live concert tours; songs had been released as singles, albums and through the iTunes Store; and Fox had licensed a wide range of merchandise. The deputy judge summarised the position in these terms at [7]:

“Songs performed in the programmes, and album compilations thereof, have been sold in the United Kingdom, including via the iTunes Store. There have been two world concert tours, the second of which included performances in the UK at the Manchester Evening News Arena and the O2 Arena. These featured cast members in character performing musical numbers from the TV series. There have also been DVDs of the concert tour. The Defendant has also licensed a range of merchandise, including clothing, linked to the programme and the concert tour and bearing the word **glee**. This merchandise was sold at the venues.”

16.

Mr Tughan explained that he first encountered glee when channel surfing in 2010. At that time the first series was being broadcast. He looked further into it and settled on what he described as a wait and see strategy, thinking it might fade away. But after opening the venues in Oxford and Nottingham he found that the presence of glee was causing CEL what he considered to be real damage, as I shall explain. In his view the bulk of this damage was being caused to the business conducted through the Oxford and Nottingham venues because the older ones had stronger customer support. He believed that the brand had been substantially compromised and that in consequence he would be unable to expand further.

The proceedings

17.

In September 2011 CEL began these proceedings, alleging that Fox’s activities amounted to an infringement of the Mark and passing off.

18.

The action came on for trial in July 2013 before Mr Roger Wyand QC, sitting as a deputy judge of the High Court. It occupied five hearing days. In his judgment given on 7 February 2014, the deputy judge decided, so far as relevant to this appeal, that the scope of the specification of the Mark should be limited in the manner I have described in light of the use that CEL had made of it; that the Mark was validly registered in respect of this limited specification of services; that the activities of Fox amounted to an infringement of the Mark under s.10(2) and s.10(3) of the Trade Mark Act 1994 (‘the 1994 Act’); but that the claim in passing off failed.

19.

A further hearing took place before the deputy judge on 10 April 2014 at which he heard submissions from the parties in relation to the outstanding issues concerning the form of order he should make. In his further judgment of 18 July 2014, the deputy judge held that CEL was entitled to a final injunction to restrain Fox from using the word glee as the name of its series, save that Fox should be entitled to say that the series was previously known as glee; that CEL was entitled to an enquiry as to damages

or, at its option, an account of profits; and that Fox should pay to CEL £100,000 on account of those damages or profits.

The appeal

20.

Upon this appeal Fox contends that the deputy judge fell into error in finding infringement under s. 10(2)(b) and s.10(3) of the 1994 Act. It has also made an application for permission to amend its defence and counterclaim to introduce a claim that the Mark is invalid because s.41 of the 1994 Act (which allows series marks to be registered) is not compatible with the requirement in EU law that a trade mark must be 'a sign' in the sense of being a single sign and capable of being 'graphically represented' as such pursuant to Articles 2 and 3 of Directive 2008/95/EC ("the Directive") and s.3(1) (a) of the 1994 Act. At the trial, Fox reserved this point of law for any appeal and it submits that where, as here, the issue does not require any finding of fact, it would be appropriate for this court to exercise its discretion to hear the issue, since otherwise the rights of the parties might be dealt with on a false and artificial basis. But it has only advanced this submission contingently for it has made clear that it would not be pursued were it to succeed on other grounds.

21.

CEL responds that there is no basis for this court to interfere with the findings of the deputy judge that Fox has infringed the Mark under s.10(2) and s.10(3) of the 1994 Act. Indeed, it continues, those findings were plainly correct. However, by its cross-appeal, CEL contends that the deputy judge ought to have found that Fox was also guilty of passing off. CEL also disputes the contention that series marks are not compatible with EU law.

22.

Both sides submit the findings of the deputy judge are internally inconsistent. Fox says that his conclusion in relation to trade mark infringement is a strange one. It argues that, if anything, one would have expected CEL's case of trade mark infringement to be weaker than its case in passing off. The passing off claim extended to CEL's goodwill in the names 'Glee Club' and 'glee'. By contrast, the claim for infringement was limited to the device shown on the face of the register and depicted above. CEL responds that the deputy judge came to the correct conclusion in relation to trade mark infringement and that had he addressed the claim in passing off in a manner consistent with his approach to infringement, he would have found that it too had been established.

23.

It appeared to us at the appeal hearing that the question whether series marks are compatible with EU law was one of some general importance upon which the UK Intellectual Property Office ("UKIPO") might wish to be heard. However, enquiries of the parties revealed that UKIPO had not been notified that the point might be taken. Accordingly, at our suggestion, a letter was written to UKIPO on 3 November 2015 inviting it to make submissions if it so wished. Mr Alan James of UKIPO responded very promptly by letter dated 4 November 2015. In broad outline he submits on behalf of UKIPO that s.41 of the 1994 Act is wholly compatible with the Directive and that any doubt about this stems from a misunderstanding about the meaning and significance of a series of trade marks: a series of trade marks is a bundle of separate and individual trade marks each of which must comply with the requirements of the Directive, and each of which is entitled to the protection afforded to every trade mark under EU law. There is, he continues, nothing in the Directive which governs or restricts the form of trade mark registrations, and there is nothing which prevents Member States from enacting a national law permitting a number of trade marks to be registered together. We are

extremely grateful to Mr James for dealing with this request so swiftly. However, in light of his submissions and the limited time available at the hearing of the appeal for the parties to consider them, we decided, at the conclusion of the hearing and with the agreement of the parties, that we would, if necessary, give further directions for the resolution of this issue after giving judgment.

24.

We also had before us an appeal by Fox and a cross-appeal by CEL against the findings made by the deputy judge in his further judgment of 18 July 2014 and the consequential order that he made. However, we were informed by the parties at the hearing of the appeal that they had reached agreement in relation to all of the issues to which this further appeal and cross-appeal gave rise. Accordingly, I shall say no more about them.

25.

The questions arising on this appeal and cross-appeal are, therefore, whether the deputy judge fell into error in finding that:

i)

Fox had infringed the Mark under s.10(2)(b) of the 1994 Act;

ii)

Fox had infringed the Mark under s.10(3) of the 1994 Act;

iii)

Fox was not guilty of passing off.

Section 10(2)(b)

The legal framework

26.

Section 10(2)(b) of the 1994 Act reads:

“(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because—

....

(b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.”

27.

It implements Article 5(1)(b) of the Directive which provides:

“1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

...

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.”

28.

A proprietor of a registered trade mark alleging infringement under Article 5(1)(b) of the Directive must satisfy six conditions, namely (i) there must be use of a sign by a third party within the relevant territory; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor; (iv) it must be of a sign which is identical with or similar to the trade mark; (v) it must be in relation to goods or services which are identical with or similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion.

29.

In the present case there is no dispute as to conditions (i), (ii), (iii) and (iv). Fox has used the sign glee in this country without the consent of CEL. Further, there has been no challenge by either party to the assessment by the deputy judge of the degree of similarity between the Mark and the sign glee. The dispute arises in relation to conditions (v) and (vi). Here CEL was required to establish that Fox had used the sign glee in relation to services which were the same as or similar to those for which the Mark was registered; and that because of the similarity between the Mark and the sign and the identity or similarity of the services for which the Mark was registered and those in relation to which the sign had been used, there existed a likelihood of confusion on the part of the public.

30.

The similarity of the goods or services is central to the issue of infringement under Article 5(1)(b) and comes in at two points in the analysis. As this court explained in *Maier v Asos plc* [2015] EWCA Civ 220, [2015] FSR 20 at [73], it raises first of all a threshold question. If the goods or services are not similar then there can be no infringement. If they are similar, then the degree of similarity is a matter to be taken into account in assessing the likelihood of confusion. The matters to be taken into account in assessing similarity were explained by the Court of Justice in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (C-39/97) [1998] E.C.R. I-5507, [1999] F.S.R. 332, [1999] R.P.C. 117 at [23] (as corrected):

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

31.

Turning to condition (vi), this court explained the general approach to be adopted to the assessment of the likelihood of confusion in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, 2012 [FSR] 19 at [51] to [52]. We endorsed at [52] the following summary of the key principles developed by the Trade Marks Registry as being sufficient for the determination of many of the disputes coming before it:

“52. ...

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

32.

In Maier we explained (at [76]) that to this summary should be added the further guidance provided by the Court of Justice in Canon (at [29]) that the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion for the purposes of the provision.

33.

The decision in Specsavers clarified one further important point concerning the context of the accused use. As this court said at [87]:

“... In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer’s mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context.”

34.

All of this guidance makes clear that the matter must be assessed from the perspective of the average consumer. This court considered the characteristics of the average consumer at some length in *Interflora Inc v Marks and Spencer plc* [\[2015\] EWCA Civ 1403](#), [\[2014\] FSR 10](#) from [107] to [130]. The following general points emerge further to those set out above:

i)

the average consumer is a hypothetical person or, as he has been called, a legal construct; he is a person who has been created to strike the right balance between the various competing interests including, on the one hand, the need to protect consumers and, on the other hand, the promotion of free trade in an openly competitive market, and also to provide a standard, defined in EU law, which national courts may then apply;

ii)

the average consumer is not a statistical test; the national court must exercise its own judgment in accordance with the principle of proportionality and the principles explained by the Court of Justice to determine the perceptions of the average consumer in any given case in the light of all the circumstances; the test provides the court with a perspective from which to assess the particular question it has to decide;

iii)

in a case involving ordinary goods and services, the court may be able to put itself in the position of the average consumer without requiring evidence from consumers, still less expert evidence or a consumer survey. In such a case, the judge can make up his or her own mind about the particular issue he or she has to decide in the absence of evidence and using his or her own common sense and experience of the world. A judge may nevertheless decide that it is necessary to have recourse to an expert’s opinion or a survey for the purpose of assisting the court to come to a conclusion as to whether there is a likelihood of deception;

iv)

the issue of a trade mark’s distinctiveness is intimately tied to the scope of the protection to which it is entitled. So, in assessing an allegation of infringement under Article 5(1)(b) of the Directive arising

from the use of a similar sign, the court must take into account the distinctiveness of the trade mark, and there will be a greater likelihood of confusion where the trade mark has a highly distinctive character either per se or as a result of the use which has been made of it. It follows that the court must necessarily have regard to the impact of the accused sign on the proportion of consumers to whom the trade mark is particularly distinctive;

v)

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

The approach of the deputy judge

35.

The deputy judge explained the background and then summarised the evidence given by the 20 witnesses for CEL and the 13 witnesses for Fox. After finding the Mark was validly registered for the limited specification of services to which I have referred, the deputy judge turned to the question of infringement and began by considering infringement under s.10(2)(b).

36.

At the outset the deputy judge directed himself by reference to the principles explained by this court in *Specsavers*. He then proceeded to compare the Mark as registered with the sign as used by Fox. He concluded that, objectively, there was some similarity between the Mark and the sign but it was not of the highest order. He approached the issue in this way:

“109. First, it is necessary to compare the sign used by the Defendant with the Mark as registered. The sign is the word “glee” in lower case in one colour on a background of another colour. The sign is used in a range of different colours both for the lettering and for the background. Examples of some of the uses given in evidence by Mr Earley are set out below:



110. Visually the lettering is similar but not identical. The words “the” and “club” are not present and neither is the spotlight device. The colours used are not the same as the colours claimed in the representation of the Mark which includes a colour claim but there is frequent use of shades of red on a yellow background. The word “glee” is the most prominent feature in both the Mark and the sign.

111. Conceptually the Mark suggests a club whereas the sign does not. Once you have seen an episode of the Defendant’s series you will appreciate that the story is about a club.

112. Aurally the Mark and sign are similar although the Mark will be spoken as The Glee Club whereas the sign will be referred to simply as Glee.

113. The Defendant has used the sign in relation to a number of things, the majority of which are:

- i) The television series;
- ii) A live show based on the television series;
- iii) DVDs of the different episodes of the series;
- iv) Merchandise, particularly items of clothing.

114. A picture of the clothing merchandise is set out below and, as can be seen, it also features the word “glee” in lower case in a similar script and in a range of colours:



115.

I have come to the conclusion that, objectively, there is similarity between the Mark and sign but that it is not of the highest order....”

37.

There followed a consideration by the deputy judge of the average consumer. He expressed his view on this issue at [119]:

“119. From this I deduce that the average consumer in this case is someone who watches the Defendant’s TV show and who is aware of the Claimant’s business. They will be reasonably well informed and reasonably observant and circumspect. What evidence do I have that will shed any light on the likely reaction of such an average consumer?”

38.

This brought the deputy judge to his assessment of the likelihood of confusion. He heard evidence from one witness, Tracey Jones, who believed that the glee TV series was connected with CEL. The judge assessed her evidence in this way:

“121. There is one example of a “consumer” of the TV show being already familiar with the Claimant’s business, namely Tracey Jones. Her evidence was that she assumed a connection between the TV show and the Claimant’s business when she saw a trailer for the TV show. Her evidence was not shaken in cross-examination. She came across as being reasonably well informed and reasonably observant and circumspect. The average consumer is not a real person but is an artificial construct and it would be wrong to

equate Tracey Jones with the artificial construct. Nevertheless, her evidence suggested that it was possible that the average consumer might be confused.

122. Tracey Jones was the only witness who gave this sort of evidence and it would be wrong to form a view of the likely reaction of the average consumer on the evidence of this one real individual. The Claimant was fortunate to have obtained the evidence of Tracey Jones. It was fortuitous in that she did not complain but her recollection of her confusion was triggered by seeing a tweet about this action. It would be unlikely for someone in her position to complain. If she had been dissatisfied on seeing the TV show, which she was not, she would, presumably, merely have watched a different programme.”

39.

There was also a body of evidence from persons who knew of the glee TV series and, on seeing or hearing of CEL's business, believed it to be in some way connected with the series. This was referred to at the trial as 'wrong way round' confusion evidence and the deputy judge evaluated it in the following way:

“124. What I have to decide in this case is whether, having regard to the similarity of the Mark and the sign and the similarity of the respective businesses, there is a likelihood of confusion. I believe that this evidence shows that there is such a likelihood. In doing so, it provides support to the Tracey Jones evidence.

125. I believe that this evidence taken as a whole shows that there is a likelihood of confusion and the fact that the Claimant can only produce evidence of one person who was actually confused into believing that the Defendant's TV show was connected with the Claimant's shows does not negate this. Furthermore, this conclusion accords with my own view on seeing the Mark and the sign used on such similar entertainment services. It is not necessary for infringement of a registered trade mark to show that there is “right way round confusion”. All that is required is a likelihood of confusion.

126. Mr Malynicz cautions against taking into account this wrong way round confusion. He says that the relevant date that I am concerned with is December 2009/January 2010 when the TV ads and the pilot for the first series were aired. He says that people who give evidence about their reactions when they see the sign after that date when the series has been extremely successful and when they are extremely well aware of it, cannot shed light on whether in December 2009/January 2010, someone who is an average consumer of the registered services would connect the Mark and sign when they encounter the sign when it is used in context. I disagree. It is when the sign has been used on a substantial scale that one will get evidence of the likely reaction of the public. If the Defendant has been using its sign on a large scale for a couple of years and there is no evidence of confusion, I am sure that the Defendant would be relying heavily on that lack of confusion.”

40.

The deputy judge then expressed his overall conclusion that Fox had infringed the Mark under s.10(2) (b) of the 1994 Act.

The appeal

41.

Fox has been represented on this appeal by Mr Iain Purvis QC and Mr Simon Malynicz. Mr Purvis has mounted a sustained and vigorous attack upon the reasoning of the deputy judge. He submits that there can be no doubt that the 'wrong way round' evidence of confusion was, in the judge's mind, very significant. Indeed, he continues, given that the deputy judge found that there was no significant 'right way round' confusion in his judgment in relation to passing off, it must be inferred that his conclusion on infringement was entirely driven by this evidence. He then proceeded to develop the following criticisms of the reasoning of the deputy judge. First, the evidence of 'wrong way round' confusion was, in the circumstances of this case, factually irrelevant to the issue of infringement; second, the deputy judge failed properly to consider the lack of similarity between the services in relation to which the Mark was registered and the services in relation to which Fox had used the sign glee; third, the deputy judge fell into error in ignoring the context of the use of the sign; and finally, that the evidence of wrong way round confusion was irrelevant as a matter of law and the deputy judge fell into error in failing so to hold.

Factual irrelevance of the 'wrong way round' confusion.

42.

In considering this issue, it is important to have the statutory test in mind. The question is whether there is a likelihood of confusion on the part of the public because the sign is the same as or similar to the registered mark and is used in relation to goods identical with or similar to those for which the mark is registered. As we have seen, the question must be considered from the perspective of the average consumer who is reasonably well informed and reasonably observant and circumspect. Mr Purvis rightly accepts that in arriving at a conclusion as to whether the average consumer would be confused, the court may in some circumstances be assisted by the spontaneous evidence of members of the public. Mr Purvis also accepts that this may extend to reliance upon second hand evidence of the reactions of members of the public although, he continues, a court confronted by any such evidence must be careful to consider, at least, whether the supposedly confused people were actually confused at all; whether they were truly representative of the average consumer; and whether the confusion relied upon was caused by the similarity between the trade mark and the sign and the similarity between the services for which the mark is registered and those in relation to which the sign has been used. I accept all of these submissions.

43.

In the present case, says Mr Purvis, the deputy judge does not indicate whether he has considered any of these points and instead, at [123], simply refers globally to the evidence of wrong way round confusion and then goes on to rely upon it without explaining why it has any probative value. For the purposes of this appeal, Mr Purvis focuses on the issue of causation. He submits that the deputy judge nowhere considered whether any of the instances of wrong way round confusion were actually caused by confusion between the Mark and the sign or whether the persons confused were aware of the services in respect of which the Mark was registered and in relation to which it was being used.

44.

Moreover, continues Mr Purvis, if the deputy judge had asked himself whether the confusion between the parties' businesses was caused by exposure to the Mark, he would have realised that it was not. There was, he says, no evidence that any of the confused people had been exposed to the Mark at all,

let alone been confused by that exposure. On the contrary, he says, their reaction was most probably caused by CEL's use of quite different signage.

45.

In my judgment these are serious criticisms. The deputy judge summarised the evidence of all of the witnesses earlier in his judgment from [22] to [56]. Within that discussion he did address each of the witnesses individually. But his consideration of the relevance of this evidence to the allegation of infringement under s.10(2)(b) is very concise and set out at [123] to [124]. It is not possible to discern here any analysis of the cause of the confusion of these witnesses, such as it was, and, in particular, whether it arose because of the similarity of the sign to the Mark and the similarity of the services covered by the Mark and those in relation to which the sign had been used. Accordingly, it seems to me that this court has no alternative but to review that evidence for itself.

46.

I begin with the witnesses who were called to give evidence at the trial and who were cross-examined. Sarah Shaw was the Account Director of m360 Limited, a marketing, digital and design agency. Early in June 2010 she received a briefing document from CEL inviting her to tender for a marketing plan for the launch of the Nottingham venue. She was not at that time aware of the business of CEL but was familiar with the glee TV series. The brief had at its head a reproduction of the Mark and, beside it, the word 'glee' alone. The brief went on to describe the nature of CEL's business and the ambitions it held for the Nottingham venue. Her immediate reaction was that this invitation had something to do with the glee TV series and it was only by reading the brief in full that she understood that it had no connection with Fox. She said that the rest of her team initially reacted in the same way as she did and they questioned how the brief was connected to the glee TV series. In cross-examination she accepted that her reaction was triggered by the word 'glee' on the front page of the brief and that her confusion was dispelled once she read it through and understood the nature of CEL's business and how it had been built up over the years. At this point she realised it had no connection with the glee TV series.

47.

It seems to me that the relevance of Ms Shaw's initial reaction to the issue the deputy judge had to decide was lessened for two reasons: first, she accepted that it was primarily due to the presence on the front page of the brief of the word 'glee'; and second, she had at that time no idea of the nature of the services in relation to which the Mark was being used. Nevertheless, I would not discount this evidence altogether. While it is true that the word 'glee' appears at the top of the first and every subsequent page of the brief, it does so beside a representation of the Mark. Further, it is of some note that it was only having read the brief right through and once she had understood the background to CEL's business that she realised that it was not connected to the glee TV series. Moreover, Ms Shaw still considered that the existence of the glee TV series could significantly reduce the effectiveness of any marketing campaign for the Glee Club in Nottingham. She and her colleagues decided that any effective marketing plan would have to take into account the very real likelihood that their target audience would make the same mistaken assumption that they had.

48.

In the event, m360 were successful in tendering for the work and were asked to develop their final concepts into artwork for the launch. In an endeavour to distinguish the new Nottingham venue from the glee series, they adopted the slogan 'we are Glee and we're not on TV'. Two colleagues of Ms Shaw, Mark Ashmore and Shane Robert Jones, gave evidence by witness statement but were not cross-examined. Their evidence supported but did not add anything of substance to that of Ms Shaw.

49.

Parina Bhathawalla was the first of three members of the public called to give evidence. In June 2012 she and her fiancé were browsing the www.wowcher.co.uk website when they saw an advert for the 'Glee Comedy Night' at the Nottingham venue. The upper part of the advert bears a large picture of a stage on which a comedian is performing. The backdrop to the stage bears the word 'glee' in large letters and to the left of the image is a representation of the Mark. Ms Bhathawalla explained that, as soon as she saw the advertisement, both she and her fiancé assumed it referred to the glee TV series. She pursued the offer and made a telephone call to secure a booking. It then became clear that she was mistaken and that the offer had nothing to do with the glee TV series. In the course of her cross-examination it emerged that it was primarily the presence of the word 'glee' and the style of the typeface that misled her. Accordingly, it seems to me the relevance of this evidence to the statutory question is diminished. Nevertheless and just as in the case of Ms Shaw's evidence, it cannot be disregarded, not least because the word 'glee' and the way it is written form a prominent part of the Mark, as I shall explain.

50.

The second member of the public to give evidence was Stewart Thorpe. In March 2012 he was asked by his brother whether he wished to visit the Nottingham Glee Comedy Club. Mr Thorpe had never heard of this club and his immediate assumption was that it must have something to do with the glee TV series. This caused him some concern because he had watched one episode and did not like it. So he asked his brother whether there was any connection with the glee TV series but was assured there was not. He attended the show and enjoyed it. The following week he mentioned to several friends that he had been to the Glee Comedy Club and they asked him whether he was referring to the glee TV series. He had to explain to them that the businesses were not connected. Mr Thorpe's evidence was not shaken in cross-examination and in my judgment it does have a bearing on the central issue. Mr Thorpe was clearly well aware of the nature of the show to which he was being invited and it was described to him as being a Glee Comedy Club. That is a reasonable way in which to use the Mark in conversation. He was confused.

51.

It is convenient at this point to deal with Tracey Jones, the third member of the public called to give evidence. As the judge explained, Ms Jones had been aware of CEL's business in Cardiff for many years when, in 2010, she saw a trailer for the glee TV series. She assumed it was connected with CEL's business. Her evidence was not shaken in cross-examination and the deputy judge accepted it. Ms Jones' confusion arose as a result of the similarity between the Mark and the sign and the similarity between the parties' services.

52.

That brings me to the witnesses who were not required to attend for cross-examination. Mr Robin Morgan was employed by CEL as the bar manager of the Cardiff venue. He explained that he had encountered several incidents in the course of which customers indicated that they believed that the Cardiff venue was in some way connected with the glee TV series. An incident which he particularly remembered involved Mr Phillip Golmulka who arrived at the club for a stag party. He asked if the club had anything to do with the glee TV show and whether it was going to be a 'singing and dancing' night. Mr Morgan explained to him that the club had no connection with the TV show at all. I recognise the value of this evidence is reduced because the word 'glee' appeared in large letters on the backdrop to the stage. Nevertheless, Mr Morgan was not cross-examined and I consider to be a fair inference from his evidence that the customers to whom he was referring were aware of the

nature of the entertainment offered at the venue, and that the confusion he experienced was attributable in part to the similarity between the Mark and the sign and the similarity between the parties' services.

53.

I turn next to the witnesses who gave evidence about the Oxford venue. Peter Mortimore had overall responsibility for the running of this venue from the outset and in April 2011 he became its general manager. He explained that, from the time it opened, he was frequently asked by customers queuing to come into the club whether it was connected in some way to the glee TV show and why the club sign and that of the TV show were so similar. Eventually, in August 2011, around 2,500 flyers were printed and distributed in Central Oxford in an endeavour to quell the confusion and better distinguish the businesses. In addition, Mr Mortimore briefed his staff about the history of the club so that they could explain the true position to customers. He also explained that he often saw tourists taking photographs of the Glee Club sign outside the premises and that this had become so common he regarded it as being part of his daily routine.

54.

Much of this evidence has little value. For example, it is not possible to determine what the tourists were thinking, whether they had any idea that the club was a comedy show venue or even whether they were confused. But I believe the frequent confusion of customers inside the venue is of greater significance. I recognise that these persons would have seen the signage outside the club, but I think they would naturally refer to the venue as 'the Glee Club'. Moreover it is probable that a significant proportion of them would have been well aware of the nature of the shows they were queuing to see, yet they believed the businesses might well be connected.

55.

Matthew Fernon was employed by a business known as C B Operations or CBO. He explained that CBO operated a bar called Wahoo in Oxford in the lower section of the building occupied by the Glee Club. He continued that the Oxford Glee Club did not put on music shows but a disc jockey played music for customers to dance to once the comedy shows ended. When he first saw the sign outside the club, he thought it must have something to do with the glee TV show. He also related how, when working behind the bar of Wahoo, he was regularly asked what the Glee Club was and what it had to do with the glee TV show. He said too that he had often seen groups of tourists taking photographs of the Glee Club sign and on a number of occasions had been asked by tourists what the Glee Club had to do with the glee TV show.

56.

In evaluating this evidence I again have well in mind the prominent use of the word 'glee' in relation to the Oxford venue. Further, the tourists and some of the customers of the Wahoo bar may have had little or no idea of the nature of the services offered at the club. Nevertheless, I do not think this evidence can be discounted entirely. The sign over the door carried the name "the glee CLUB" which, as I have said, would be visible in daylight and is how the Mark would be referred to in conversation, and beside the door there was a large poster advertising the club comedy nights. It is therefore probable that a significant proportion of those customers to whom Mr Fernon was referring had both seen the club sign and were aware it was a venue for stand-up comedy shows.

57.

Adam Jarenko worked on the club floor of the Oxford venue from April 2010 to February 2011. He explained that, when standing outside the club, he was often asked by customers of the Wahoo bar

whether the Glee Club had anything to do with the glee TV show. He continued that, even after he had explained that the Oxford venue was a comedy club, he got the impression that members of the public still thought it was connected in some way to the glee TV show. He also said that, some nine months after the opening of the Oxford venue, it was decided that, in light of the general level of confusion occurring amongst members of the public, the sign outside the club should be changed and instead of simply stating 'the glee club', it should be supplemented by the addition of the words 'comedy club est. 1994' in an effort to distinguish the businesses.

58.

I accept once again that the value of this evidence is diminished because it is far from clear which factors were operating in the minds of those members of the public to whom Mr Jarenko refers. But it is, I think, of note that Mr Jarenko encountered a measure of resistance from members of the public when the true position was explained to them. Moreover, none of this evidence was challenged.

59.

I turn now to the witnesses who gave evidence about the Nottingham venue and were not required to attend for cross-examination. The first was Thomas Rose. He had worked in the music industry for some time as a retailer, promoter, manager and publisher. In about 2006 he became familiar with CEL's Birmingham venue and was involved closely with the setting up of the Nottingham venue. He explained that, since opening, the Nottingham venue had hosted several hundred professional music performances and was recognised as being a key music venue. However, he continued, it was a matter of regret to him that both members of the public and performing artists regularly associated the Nottingham venue with the glee TV show. The musical entertainment that he organised was, to his mind, serious and traditional and he was concerned that the on-going connection with the glee TV series in customers' minds was hampering the venue's business and marketing efforts. One of the incidents to which Mr Rose specifically referred involved Mr Jonathan Handle, who also made a witness statement. Mr Handle was the Managing Director of Westbury Music, an independent publisher of contemporary British music. Mr Rose had been a client of his since 2007. In 2012 Mr Rose went to Mr Handle's office and told him that he was now working for 'the Glee Club'. Mr Handle was not previously aware of CEL and Mr Rose's comment led him to believe he was now working for the glee TV series. He was rather surprised and so asked Mr Rose if that was really so.

60.

In evaluating the evidence of Mr Rose I am conscious that, as he explained, one of the matters exacerbating the problem was the presence on the stage backdrop of the word 'glee'. But I believe his evidence cannot be disregarded. The customers and performers to whom he referred would have been aware of the services offered at the venue and it is probable that a good many of them would have referred to it as 'the Glee Club'. I feel supported in this view by the evidence of Mr Handle. He assumed correctly that Mr Rose was still carrying on business as a promoter of musical performances and Mr Rose identified the business for which he was working in precisely the way one would expect to see the Mark used in conversation. Mr Handle was confused.

61.

Bradley Seagrave had been employed by CEL as the manager of the Nottingham Glee Club venue ever since it opened. He gave evidence that on various occasions he saw groups of young people outside the club singing songs from the glee TV show or asking whether the club was in some way related to that show. This evidence is, to my mind, of relatively little value for the reasons I have given; in short, it is impossible to determine to what extent these persons had any understanding of the nature of CEL's business.

62.

Mr Seagrave gave other evidence which I consider to be more relevant, however. Shortly after accepting the job as general manager of the venue, he invited applications for various positions, such as check in staff, bar staff and door staff. Several of the responses he received made reference to the glee TV show. It seems to me probable that a significant proportion of them would have been aware of the nature of the business conducted at the venue. There being no challenge to this evidence, I believe it to be generally supportive of the proposition that many ordinary members of the public believed the Nottingham venue was in some way connected to the glee TV show.

63.

Andrew Robinson was a comedian who had performed all over the country. He explained that in January 2013 he performed at the Nottingham venue and, late in the evening, was standing outside the club when he noticed three young girls singing a song from the glee TV show. He also noticed that the girls were taking pictures of each other on their mobile telephones in front of the sign outside the venue. I consider this evidence has little value to this part of the case for it is impossible to determine whether the girls were confused or had any idea of the nature of the services offered at the venue.

64.

Duncan Burns had responsibility for CEL's marketing, advertising and branding and explained that in September 2011 he attended 'Freshers' Fairs' at Oxford's Brooks University, Nottingham University and Nottingham Trent University. He was accompanied at the two Nottingham events by his colleague, Alex Jackson. CEL had a stall which featured a purpose-built visual prop in the form of an ice cream van branded with the Mark, the name 'The Glee Club' and various comedy and music messages. He spoke to a number of students who clearly thought he was advertising a business connected to the glee TV series. Further and importantly, that association was, for a number of students, a powerful deterrent. Such was his concern that he reported to Mr Tughan that he had experienced an alarming degree of confusion.

65.

Alexander Jackson gave evidence to much the same effect. He attended the fairs at Nottingham University and Nottingham Trent University and gained the distinct impression that many students were ignoring their stand because, having seen it, they assumed that it had something to do with the glee TV series.

66.

I find this evidence quite powerful. The students were exposed to the Mark and a description of the nature of CEL's activities. Nevertheless, they assumed that what they were being offered was connected to the glee TV show. Further, this was an association which deterred them from making any further enquiries.

67.

Drawing the threads together, I recognise that some of the evidence upon which CEL relies has little probative value. Nevertheless and subject to the matters to which I must come, a good deal of it is generally supportive of CEL's case. It shows the similarity between the Mark and the sign glee and the similarity between the services provided by CEL and those provided by Fox have led a significant number of persons to believe that those businesses were connected.

The failure to consider the lack of 'similarity of services'

68.

There is no dispute that the similarity between the services for which the Mark is validly registered and the services in relation to which the sign has been used is central to the question of infringement under s.10(2)(b). As we have seen, it comes in at two points in the analysis. Further, in assessing the impact of the similarity upon the likelihood of confusion, it is well established that a lesser degree of similarity between the services may be offset by a greater similarity between the Marks and vice versa - the so called interdependence principle.

69.

Mr Purvis submits that the importance of this issue is underlined by the fact that Fox sought to have the scope of the specification of goods and services in respect of which the Mark was registered cut down for the very purpose of emphasising the distinction between the services in respect of which the Mark had been used and those of which complaint was made. It was Fox's case that there was little or no similarity between them and so the allegation of infringement under s.10(2)(b) fell to be dismissed.

70.

I accept that the issue of the similarity between the services was a live one at the trial and it is striking that there is no consideration of it in the judgment, save at [125] where the deputy judge refers to it, almost as an aside. There he says that the likelihood of confusion which he believed the evidence established accorded with his own view on seeing the Mark and the sign used on 'such similar entertainment services'. But, as Mr Purvis fairly points out, 'entertainment services' as such had been deleted from the specification. Moreover, the deputy judge nowhere identifies which services he considers to be similar, why he considers them similar, how similar he considers them to be or how this similarity bears upon the likelihood of confusion. The complete absence of any reasoning does, in my judgment, amount to a material deficiency which again vitiates the conclusion to which the deputy judge came.

The context of use

71.

As I have explained, in assessing the likelihood of confusion arising from the use of the sign, the court must consider the matter from the perspective of the average consumer and must take into account all the circumstances of the use that are likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign must be considered in context.

72.

Mr Purvis has explained to us that it was strongly argued at trial that, once the particular context in which Fox has used the sign glee is taken into account, it is hard to see how there could be said to be a likelihood of confusion amongst reasonably well-informed and circumspect consumers. He continues that, to be confused, the consumer would have to believe that a quintessentially American TV series about teenage life in a high school had been produced by a comedy or music venue in the UK, simply because of the common element 'glee' in their names; alternatively, that the makers of the series had decided to go into the business of setting up comedy clubs in the UK under a different name and a new device. Moreover, he continues, the circumstances of use likely to operate in the average consumer's mind include the information that the consumer gets from watching the series itself, and anyone who watches it, or even reads about it, will understand that a 'glee club' is a descriptive term for a singing club.

73.

Mr Douglas Campbell who has appeared on this appeal on behalf of CEL, as he did below, responds that there is nothing about the name of a TV series which creates a context defence. He says that the show will be referred to in schedules, advertisements and on Twitter and Facebook and the like simply as 'glee'. There is nothing about this context which makes confusion less likely. Moreover, there is no reason to suppose that the average consumer watches one or more episodes of the glee TV series, still less that such a consumer would pick up that the term 'glee club' is used to refer to a high school singing club.

74.

In my judgment these rival submissions demanded careful consideration by the deputy judge but he made no reference to the significance of context in his account of the law or in his reasoning. I have come to the conclusion that his failure to do so amounted to another material error which undermines the conclusion to which he came.

Irrelevance of 'wrong way round confusion' as a matter of law

75.

Mr Purvis emphasises that Fox's primary case is that 'wrong way round confusion' evidence should have been rejected as being irrelevant because it was not shown to have anything to do with the Mark. But, he continues, if Fox is wrong on this, then 'wrong way round confusion' is in any event irrelevant to the question of s.10(2) infringement as a matter of law and so inadmissible.

76.

Mr Purvis has developed that latter submission in the following way. He contends first, that 'wrong way round confusion' can only occur in the case of a defendant with a sign that has an established reputation in the jurisdiction such that, when the average consumer comes across the registered trade mark, he confuses it with the defendant's sign. It follows, says Mr Purvis, that a sign which did not infringe a registered trade mark when it was first launched (because it had not established any reputation in the jurisdiction) could infringe later as its reputation grew sufficiently to generate the risk of 'wrong way round confusion'.

77.

Secondly, says Mr Purvis, it is equally objectionable that a claimant should be able to rely on its growing reputation to bring an action for infringement which would not have succeeded at the date of the defendant's launch, for otherwise a defendant could be deprived by an injunction of its own lawfully acquired goodwill.

78.

In summary, Mr Purvis submits that 'wrong way round confusion' (which inevitably depends upon an established reputation on the part of the defendant) has no part to play in the law of trade mark infringement. He also submits that this is the approach which the courts in this country have taken to date. Indeed, he continues, the notion that 'wrong way round confusion' might be relevant to trade mark infringement is inconsistent with the decision of this court in *Reed Executive v Reed Business Information* [2004] RPC 40. Jacob LJ (with whom Auld and Rix LJJ agreed) approved at [78] this statement by Pumfrey J (as he then was) at first instance:

"A mere association between the mark and the sign created in the mind of the public will not amount to an infringement unless it also entails deception as to the economic source of the goods bearing the sign."

79.

I find myself unable to accept these submissions. A person infringes a registered mark under s.10(2) (b) if he uses a sign in the course of trade and where because the sign is similar to the trade mark and is used in relation to services (or goods) identical with or similar to those for which the mark is registered there exists a likelihood of confusion on the part of the public. The comparison here is between the sign and the mark. The court must identify the sign which the defendant has actually used and the context in which he has used it; and this must be compared to a notional and fair use of the mark in relation to all of the goods and services in respect of which it is registered. The mark may or may not have been used; it may have been used in relation to some but not all of the goods or services for which it is registered; and any use may have been on a small or a large scale. But the question in every case remains the same, namely whether, having regard to a notional and fair use of the mark in relation to all of the goods or services for which it is registered and the actual use of the sign, there is a risk that the average consumer might think that the goods or services come from the same undertaking or economically linked undertakings, and that is all.

80.

Against this background I can see no basis for saying that, as a matter of law, evidence of 'wrong way round confusion' is inadmissible. It will be recalled that Mr Purvis defines a 'right way round' confusion case as being one in which a consumer familiar with the mark is confused upon seeing the accused sign; and a 'wrong way round' confusion case as being one in which a consumer familiar with the accused sign is confused upon seeing the mark. It seems to me that whether a particular instance of confusion is 'right way round' or 'wrong way round' may be a consequence of nothing more meaningful than the order in which the consumer happened to come across the mark and the sign. Further, in both cases the consumer thinks that the goods or services in issue come from the same undertaking or economically linked undertakings, and they may be equally damaging to the distinctiveness and functions of the mark. Moreover, as I think Mr Purvis was disposed to accept, evidence of 'wrong way round' confusion may be probative of a risk of 'right way round' confusion in any event.

81.

The two reasons Mr Purvis advances in support of his submission are, in my judgment, unpersuasive. As I have mentioned, the parties are agreed that the relevant date for the assessment of infringement is the date upon which the activities complained of began, namely, in the case of Fox, late 2009. Founding himself on this, Mr Purvis says that to take into account 'wrong way round' confusion would mean that a sign which did not infringe when it was first launched might be found to infringe later. So, he says, 'wrong way round' confusion is necessarily inadmissible. I do not accept that submission. The infringement analysis involves an element of looking forward: the question is whether there is a likelihood of confusion in light of the defendant's actual and threatened activities. Evidence of confusion which comes to light after the date of the defendant's launch may assist the court to answer that question.

82.

As for Mr Purvis' second point, I agree that it would be objectionable for a claimant to be able to rely upon a growing reputation to bolster a case which would have failed at the date of the defendant's launch. But once again this is a matter to be taken into account in assessing the value of any evidence of actual confusion, not a reason to exclude it altogether.

83.

Turning to the authorities, these seem to me to support the conclusion to which I have come. Evidence of ‘wrong way round’ confusion was taken into account in by Arnold J in *Stitching BDO v Unibank, Inc* [2013] EWHC 418, [2013] FSR 35 at [165] to [166] and, more cautiously, in *Enterprise Holdings, Inc v Europcar Group UK Ltd* [2015] EWHC 17, [2015] FSR 22 at [117], and by Birss J in assessing infringement under s.10(3) of the 1994 Act in *Thomas Pink Ltd v Victoria’s Secret UK Ltd* [2014] EWHC 2631, [2014] FSR 40 at [159]. The passage from the judgment of Jacob LJ in *Reed* set out at [77] above is directed to a different point, namely whether a mere association between the mark and the sign constitutes relevant confusion. There can be no doubt it does not, and neither side has suggested to the contrary.

84.

I would therefore reject the submission that ‘wrong way round’ confusion is not admissible as a matter of law. But it must be assessed with care along with all the other evidence to determine whether it is of any assistance in answering the statutory question in the context of any particular case.

Re-evaluation

85.

Mr Purvis submits and I accept that, in light of the three errors to which I have referred, this court must decide for itself the issue of infringement under s.10(2)(b). He continues that this is a clear case of non-infringement and he summarises Fox’s case in the following way. First, the Mark and the sign are distinct and easily distinguishable for the sign has not adopted any of the device elements of the Mark or the words ‘the’ or ‘club’. The common word ‘glee’ is a descriptive term for joyful enthusiasm which one would not be surprised to see different traders using in different contexts.

86.

Second, the services for which the Mark has been held to be validly registered, essentially the provision of a venue for live comedy and music, are simply not similar to the services in relation to which the sign has been used. The threshold of similarity for considering a likelihood of confusion has not been passed, and even if it has been, the difference in services provides a strong indicator against infringement.

87.

Third, and looking at the case in context, there is no risk of confusion arising from the use by Fox of the name glee.

88.

Fourth, and despite the massive scale and prominence of the glee TV series and the length of time it took for the action to come to trial, no instances of confusion have come to the attention of Fox or its broadcasters. The ‘wrong-way round’ evidence of confusion is not probative of a likelihood of confusion.

89.

These are powerful submissions and I shall address them in the context of a structured approach to the overall question in which I shall consider in turn the average consumer, the distinctiveness of the mark, the similarity between the mark and the sign, the similarity between the services, the context of the use and finally, the overall likelihood of confusion.

The average consumer

90.

The deputy judge described the average consumers of the services for which the Mark is registered at [119] which I have set out above at [37]. These notional persons are between about 16 and 60 years old, may be male or female, and are reasonably observant and circumspect having regard to the services in issue. There is substantial overlap between these persons and the consumers targeted by Fox. Further, they are unlikely to see the Mark and the sign glee used side by side and so must trust in the imperfect recollection of them they have kept in their mind.

Distinctiveness of the Mark

91.

It is well established that the more distinctive the earlier mark, the greater the likelihood of confusion will be. A number of points must be considered. First, the Mark must be considered as a whole but there can be no doubt that, as the deputy judge himself observed, the word 'glee' is a prominent part of it. Fox sought to have the Mark revoked on the basis that the term 'glee club' was descriptive of a type of singing club. That attack failed on the facts. The deputy judge found that the term was not known or understood by other than a very small section of the public. There has been no challenge by Fox to this finding on this appeal. Second, I accept that the word 'glee' is an ordinary English word meaning mirth or delight but in my judgment it is not descriptive of any of the services for which the Mark remains registered; nor is it descriptive of any particular characteristic of those services. Indeed, no attempt was made by Fox to have the Mark revoked on this basis. Third and in light of the foregoing, it must be recognised that the Mark does have a reasonable degree of inherent distinctiveness, that is to say the capacity to identify the services in relation to which it is used as originating from a particular undertaking and so distinguish those services from those of other undertakings. Fourth, the deputy judge also found that the scale of the use of the Mark by CEL was such that it had in any event acquired a distinctive character by the date of the application for registration, and still more so by the date of Fox's challenge to it. However, it must also be acknowledged that for many years CEL's business was only conducted through the Birmingham and Cardiff venues and I do not for my part think it necessary to rely upon any such acquired distinctiveness in considering the allegation of infringement.

Similarity between the Mark and the sign

92.

As we have seen, the deputy judge dealt with this issue from [109] to [114]. He concluded that there is a degree of similarity between the Mark and the sign but it is not of the highest order. However, I do not understand him to have been saying that the degree of similarity was of a low order either. Had he done so, I would not have agreed with him. I recognise and acknowledge the differences between the Mark and the sign to which the deputy judge referred. Moreover, the word 'glee' is, as I have said, an ordinary English word and I have firmly in mind that the sign has not adopted any of the device elements of the Mark. But it must also be noted that the word 'glee' is the most prominent feature in both the Mark and the sign; that this word is written in similar lettering; that the Mark will be referred to in speech as "the glee club" and that is how it will be heard; and that although it is true that conceptually the Mark denotes a club whereas the sign does not, the sign can be and has been used in relation to a TV series about a singing club. Overall, I think there is a reasonable degree of similarity between the Mark and the sign.

Similarity between the services

93.

The core services for which the Mark remains registered are live comedy entertainment; the provision of music hall services; the provision of live and recorded music; and the presentation of sound recordings. To what extent are these similar to the services in relation to which the sign has been used? This is a question that must be answered bearing in mind the factors identified in Canon.

94.

I begin with the nature of the services. I accept there is a difference between a TV series and the services covered by the Mark. A TV series requires a vast infrastructure of writers, actors, producers, set designers and so forth; it is provided through TV distributors and broadcasters; and it has a number of episodes. By contrast, the services covered by the Mark are generally provided at a single venue for one evening. But these differences must not be overstated. Comedy shows are often televised; and they too may continue for a series. So also, a TV series about a singing club may give rise to all kinds of associated activities, as glee has. There have been live shows and even DVD recordings of the live shows; and there has been a wide range of associated merchandise.

95.

As for the purpose of the services and their method of use, Mr Purvis fairly points out once again that the services covered by the Mark are generally provided at a single venue; and that the public pay for admission, usually for one evening. By contrast, TV programming is consumed at home and is paid for by subscription. On a more general level there are similarities, however. The services are all directed to members of the public of a similar age who enjoy musical theatre and comedy and are seeking entertainment.

96.

Are the services in competition or complementary? Mr Purvis says they are plainly not, and there can be no suggestion that those responsible for TV shows are also responsible for venues for live comedy or music. I agree with Mr Purvis that the services provided by Fox are not in direct competition with those provided by CEL. But again, it is perfectly possible to imagine live music and comedy shows that would be entirely complementary to the glee TV series. After all, Fox has itself sanctioned two world concert tours.

97.

In my judgment and having regard to all of the foregoing, the services covered by the Mark and those in relation to which the sign has been used are similar, and reasonably so.

The context of use

98.

This is an important issue. I have summarised the rival submissions at [71] to [74] above. Mr Purvis' arguments fall into two parts. He says first, that the average consumer would not believe that a US drama TV series called glee is from the same source as a comedy music venue in the UK trading as the Glee Club in the form of a device not used in the TV series. I recognise the force of this point. For example, the notion that any consumer would think that a business responsible for a comedy and music venue in Nottingham called the Glee Club had then produced a TV show called glee about a singing club set in a fictional school in Ohio might be thought rather far-fetched. But this is not the end of the enquiry for I think it not unreasonable to suppose that a consumer might think that the producer of the TV show was also in some way responsible for or connected with the comedy and music venue. As I have said, that is precisely what it has done in arranging the glee world tour.

99.

Secondly, continues Mr Purvis, the average consumer would watch or read about the glee TV series and would appreciate that the word 'glee' has an independent descriptive origin in that it denotes a singing club. I accept that may be the case for some viewers but having seen some of the episodes which we were invited to view, I am not satisfied that would generally be the case, and Mr Purvis has not referred us to any evidence sufficient to persuade me otherwise.

The likelihood of confusion

100.

I must now assess the likelihood of confusion globally having regard to all of the matters to which I have referred. I must take into account the fact that a lesser degree of similarity between the services may be offset by a greater degree of similarity between the marks, and vice versa. I am conscious too that a mere association between the Mark and the sign in the sense that the sign brings the Mark to mind does not constitute a likelihood of confusion.

101.

In my judgment the assessment of the average consumer, the distinctiveness of the Mark, the degree of similarity between the Mark and the sign, the degree of similarity between the services and the context of use leave the issue finely balanced. As we have seen, there are aspects of each that support a finding of a likelihood of confusion and other aspects which point against such a finding.

102.

Against this background I think the evidence of actual confusion is potentially very persuasive. I have addressed some of the attacks on the probative value of this evidence earlier in this judgment and I have concluded that the value of the evidence of some of the witnesses is limited to a greater or lesser extent but I am satisfied that overall that evidence does tend to support a finding of a likelihood of confusion.

103.

There are certain other points with which I must deal, however. First, there can be no doubt that a good deal more confusion has arisen in connection with the venues in Oxford and Nottingham than in connection with those in Birmingham and Cardiff. Mr Purvis submits this shows that the confusion is the result of the use of different signage. I have considered the question of signage in assessing the evidence of each of the witnesses. For the reasons I have given, I do not accept that it undermines all of their evidence. Further, it was Mr Tughan's opinion that one of the reasons the Birmingham and Cardiff venues fared better was because they were well established in their respective areas by late 2009 and had stronger customer support. I consider that explanation to be entirely plausible; it is consistent with the evidence I have read and I accept it.

104.

Second, Mr Purvis argues that any confusion which arose in connection with the Nottingham and Oxford venues is also attributable to the fact that the glee TV series had by that time become famous. I accept that by the time these venues opened the glee TV series was known to a great many consumers all over the country but I do not agree that this assists Fox. It was the inevitable consequence of Fox launching its series on TV nationwide and it made it much more difficult for CEL to expand its business under the Mark. If this was the result of a likelihood of confusion arising from the similarity between the Mark and the name glee and the similarity of the services then it was something against which CEL was entitled to be protected.

105.

Third, I am conscious that by the time of the trial no confusion had come to the attention of Fox or its broadcasters or those in charge of spin-off activities and this is another matter to which I have had careful regard. But it is well known that evidence of actual confusion is often very difficult to find. Moreover, as Mr Campbell submits, Fox never gave a reason as to why those who were confused by the similarity of the Mark and the sign would complain to Fox or its broadcasters and many consumers who thought there was a connection might never have found out their mistake. By contrast, confusion came to the attention of CEL because of its close connection with consumers and because of the effect of the confusion on its business.

106.

Taking all relevant matters into account I have come to the conclusion that this is a case where because the sign is similar to the Mark and is used in relation to services which are similar to those for which the Mark is registered there exists a likelihood of confusion. I would dismiss the appeal against the finding of infringement under s.10(2)(b).

Section 10(3)

Legal framework

107.

Section 10(3) of the 1994 Act provides:

“(3) A person infringes a registered trade mark if he uses in the course of trade, in relation to goods or services, a sign which—

(a) is identical with or similar to the trade mark, . . .

(b) . . .

where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”

108.

It implements Article 5(2) of the Directive which reads:

“2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”

109.

Article 5(2) permits Member States to provide for marks with a reputation a wider form of protection than that provided for in Article 5(1)(b). Provided the relevant requirements are satisfied, that protection extends to the use of a sign which is the same as or similar to the registered mark in relation to goods or services which are not similar to those in respect of which the mark is registered.

However, it is now well established that the protection permitted by Article 5(2) also extends to the use of such a sign in relation to goods and services which are identical with or similar to those in respect of which the mark is registered: *Davidoff & Cie SA v Gofkid Ltd* (C-292/00) [2003] E.C.R. I-389; [2003] F.S.R. 28 at [30], and *Adidas-Salomon AG v Fitnessworld Trading Ltd* (C-408/01) [2003] E.C.R. I-12537; [2004] F.S.R. 21 at [18] to [22].

110.

Further, infringement under this provision requires a degree of similarity between the mark and the sign such that the average consumer makes a connection between them. It is not necessary that the degree of similarity be such as to create a likelihood of confusion, but it must be such that the average consumer establishes a link between the mark and the sign; and this is to be assessed globally having regard to all of the circumstances of the case: *Specsavers* at [120]; *Adidas-Salomon* at [29] to [30]. The fact that for the average consumer the sign would call the mark to mind is tantamount to the existence of such a link: *Specsavers* at [122]; *Intel Corp Inc v CPM United Kingdom Ltd* (C-252/07) [2008] E.C.R. I-8823; [2009] R.P.C. 15 at [60].

111.

In *Interflora* this court explained (at [69]) that a proprietor of a registered trade mark alleging infringement under Article 5(2) must therefore show that the following requirements are satisfied: (i) the registered trade mark must have a reputation in the relevant territory; (ii) there must be use of a sign by a third party in the relevant territory; (iii) the use must be in the course of trade; (iv) it must be without the consent of the proprietor; (v) it must be of a sign which is identical with or similar to the trade mark; (vi) it must be in relation to goods or services; (vii) it must give rise to a link between the sign and the trade mark in the mind of the average consumer; (viii) it must give rise to one of three types of injury, that is to say, (a) detriment to the distinctive character of the trade mark, (b) detriment to the repute of the trade mark, or (c) unfair advantage being taken of the distinctive character or repute of the trade mark; and (ix) it must be without due cause.

112.

In this case we are concerned only with the first and second of these types of damage, that is to say detriment to the distinctive character of the Mark and detriment to the repute of the Mark.

113.

The Court of Justice explained what is meant by detriment to the distinctive character of a mark in *Intel* at [29]:

“As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.”

114.

The Court then went on (at [72] to [76]) to explain how such injury might be established. In summary, it is not necessary for the earlier mark to be unique, although the more ‘unique’ it appears, the greater the likelihood that a later identical or similar mark will be detrimental to its distinctive character; second, the use of an identical or similar mark may suffice, in some circumstances, to

cause actual and present detriment to the distinctive character of the earlier mark or to give rise to a serious likelihood that such detriment will occur in the future; and third, detriment to the distinctive character of the earlier mark is caused when that mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened. There followed at [77] this important explanation of what is needed by way of proof:

"77. It follows that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future."

115.

Then, at [78], the Court emphasised that it is immaterial for the purposes of assessing whether the use of the later mark is or would be detrimental to the distinctive character of the earlier mark, whether or not the proprietor of the later mark draws real commercial benefit from the distinctive character of the earlier mark.

116.

The need for evidence of a change in the economic behaviour of the average consumer, or a real likelihood that such a change will occur in the future, was considered by the Court of Justice once again in *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-383/12)* given on 14 November 2013 at [34] to [43] in considering the similar provisions in Regulation No 207/2009. The Court said this:

"34. According to the Court's case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corp*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corp* judgment, which begins with the words '[i]t follows that', immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that the condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established."

117.

A little later, it continued:

“42. Admittedly, Regulation No 207/2009 and the Court’s case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

118.

Here the Court of Justice has explained that a serious risk of detriment may be established by deduction, but any such deduction cannot be supposition and must instead be founded properly on all the circumstances of the case and the nature of the trade in issue.

119.

Turning now to damage to reputation, the Court of Justice provided this assistance in *L’Oréal SA v Bellure NV* (C-487/07) [2009] E.C.R. I-5185; [2010] RPC 1 at [40]:

“40. As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”

120.

The use must also be ‘without due cause’. As the Court of Justice made clear in *Intel* at [39], where the proprietor of a registered mark has shown that there is either actual and present injury to its mark for the purposes of Article 4(4)(a) of the Directive (the ground for refusal corresponding to Article 5(2)), or failing that, a serious risk that such injury will occur in the future then it is for the proprietor of the later mark to establish there is due cause for the use of the later mark.

121.

The issue of what constitutes due cause was considered by the Court of Justice on a preliminary reference in *Interflora Inc v Marks & Spencer plc* (C-323/09) [2012] FSR 3, [2012] ETMR 13, in the context of keyword advertising. It explained (at [91]) that the use of a trade mark as a keyword in order to advertise goods which were an alternative to but not mere imitations of the goods of the proprietor and in a way which did not cause dilution or tarnishment and which did not adversely affect the functions of the trade mark must be regarded as fair competition and could not be prohibited.

122.

More recently, the Court of Justice again considered this issue in *Leidseplein Beheer BV, Hendrikus De Vries v Red Bull GmbH, Red Bull Nederland BV* (C-65/12) [2014] ETMR 24. Red Bull owned the trade mark ‘Red Bull Krating-Daeng’ which was registered for non-alcoholic drinks in class 32 as of 1983. In these proceedings it complained of the use by Mr De Vries of the sign ‘The Bulldog’ in respect of a high energy drink. This use began after the date of registration. However, Mr De Vries had used the mark ‘The Bulldog’ as a trade mark for hotel, restaurant and café services since 1975. Having regard

to the circumstances of the case the Court explained that the concept of due cause should be interpreted in the following way:

“60. Consequently, it follows from all of the foregoing considerations that the answer to the question referred is that art.5(2) of Directive 89/104 must be interpreted as meaning that the proprietor of a trade mark with a reputation may be obliged, pursuant to the concept of “due cause” within the meaning of that provision, to tolerate the use by a third party of a sign similar to that mark in relation to a product which is identical to that for which that mark was registered, if it is demonstrated that that sign was being used before that mark was filed and that the use of that sign in relation to the identical product is in good faith. In order to determine whether that is so, the national court must take account, in particular, of:

- how that sign has been accepted by, and what its reputation is with, the relevant public;
- the degree of proximity between the goods and services for which that sign was originally used and the product for which the mark with a reputation was registered; and
- the economic and commercial significance of the use for that product of the sign which is similar to that mark.”

123.

More broadly the Court has explained that the concept of due cause involves a balancing between, on the one hand, the interests which the proprietor of a trade mark has in safeguarding its essential function and, on the other hand, the interests of other economic operators in having signs capable of denoting their products and services (see, in particular, *Leidseplein* at [41] to [46]).

The approach of the deputy judge

124.

The deputy judge reiterated his findings that the Mark and the sign used by Fox were similar and that the Mark had a reputation in 2009, the date of the commencement of the activities complained of. There were, he thought, obvious similarities between the Mark and the sign and that, even if he was wrong as to the likelihood of confusion, those similarities were such that the one would necessarily call to mind the other. That brought him to what he considered to be the critical question, namely whether, as CEL asserted, the use of the sign was without due cause and whether it was detrimental to the distinctive character or the repute of the Mark.

125.

The question whether Fox’s use was without due cause was addressed by the deputy judge in these terms:

“132. Is the Defendant’s use “without due cause”? I have held that the use is likely to cause confusion. If that is so, the use is without due cause. The Defendant argues that the “due cause” defence is “a receptacle for a defence of fair competition” and emphasises that the court should adopt a contextual approach to the comparison of the Mark with the sign as used.

133. I would agree to this approach but I do not believe that it helps the Defendant in this case if the other requirements for infringement are made out. I do not see any objective justification for the Defendant's use of the sign if it causes confusion with the Mark or, even if it does not cause confusion, if it damages the Mark."

126.

In considering whether the use of the sign was causing damage to the distinctive character or repute of the Mark, the deputy judge focused upon the evidence of 'wrong way round' confusion:

"Does the use of the sign cause damage to the distinctive character or repute of the Mark? The evidence establishes that it does. The evidence relating to the reaction of potential customers of the Claimant shows that they are put off attending the Claimant's shows. This will apply generally to people who have not heard of, or at least do not know, the Claimant's business. However, they are clearly potential customers, for instance students at Freshers' Fairs or people being taken by friends. Because of the difference in the underlying theme of the TV show from the Claimant's comedy shows, the Claimant's customers are put off if they think that there is a connection with the TV show."

127.

It was submitted on behalf of Fox that there was no evidence of a change in the economic behaviour of CEL's customers and, moreover, that its turnover at each of its four venues had increased since 2009. This did not find favour with the deputy judge who pointed out that it might have increased by more in the absence of Fox's activities. By contrast, he found the evidence of the witnesses much more helpful, as he went on to explain:

"140. However, in this case I have more objective evidence of consumers' reaction to the Defendant's activities in the evidence I have referred to above about potential customers being discouraged because they believe that there is a link. That reaction shows that potential customers are changing their economic behaviour and that the Claimant's Mark is suffering detriment through the swamping by the Defendant's use of the sign. I am reinforced in this view by the reaction of the marketing company m360 Limited as described by Sarah Shaw, Mark Ashmore and Shane Robert Jones. From a marketing point of view they saw the Defendant's TV show as being a real threat to the Claimant's Mark which had to be addressed in their marketing programme. It is not necessary for a Claimant under section 10(3) to produce evidence quantifying a change in economic behaviour. All that is needed is objective evidence that there is or will be such a change.

141. The Claimant's case on detriment to the distinctive character and repute of the Mark is made out."

128.

It followed that Fox had infringed the Mark under s.10(3) of the 1994 Act.

The appeal

129.

Mr Purvis contends that the deputy judge fell into error in the way he addressed the need for a link between the sign and the Mark; in his approach to the assessment of detriment; in failing properly to

assess whether CEL had demonstrated a change in the economic behaviour of its customers; and in failing to find that the use by Fox of the word 'glee' could not be characterised as 'without due cause'.

The need for a link

130.

Mr Purvis submits that since the extended protection under s.10(3) is founded upon the reputation of the Mark, it is plain that the link must be shown to be made by average consumers who are familiar with the Mark upon seeing the sign. In other words, he says, s.10(3) infringement can only be 'right way round'.

131.

Turning to the reasoning of the deputy judge, Mr Purvis argues that he made no finding of 'right way round' confusion. Further, his finding of likelihood of confusion was entirely based upon 'wrong way round' confusion and therefore could not support a finding that the use of the sign would call the Mark to the mind of the average consumer.

132.

As for the evidence, Mr Purvis submits that it provides no basis for a finding that the use of the sign would call the Mark to mind. Moreover, none of that evidence had anything to do with the Mark because the 'calling to mind' of Fox's sign was the result of the use by CEL of other signs which more closely resembled it than the Mark did.

133.

Mr Purvis does not challenge the finding of the deputy judge that CEL had a reputation in and under the Mark in late 2009, and he was right not to do so. It was a reasonable inference from the size of CEL's business and the length of time it had been carried on that the Mark was known to a significant part of the public concerned with the services for which it had been used and which formed the basis of the cut down specification: see, for example, *General Motors Corp. v Yplon SA* (C-375/97) [1999] ECR I-5421, [2000] RPC 572 at [24] to [27].

134.

If, as I have found, there was, in early 2009, a likelihood of confusion, that is to say that average consumers believed or were likely to believe that the services provided under the Mark and the glee TV series came from the same undertaking or economically-linked undertakings then a link was necessarily established: *Intel* at [57]. Further and as we have seen, the deputy judge held that even if he was wrong about the likelihood of confusion, the similarities between the Mark and the sign were such that the use of the one would necessarily result in the other being called to mind. This reasoning is rather condensed but I believe that the conclusion at which he arrived is nevertheless correct, for the reasons I shall now explain.

135.

In a case such as this, where the allegation is one of injury consisting of detriment to the distinctive character or the repute of the earlier mark, the matter is to be assessed by reference to average consumers of the goods or services for which the earlier mark is registered: *Intel* at [34] to [35].

136.

Further, in determining whether there is a link between the mark and the sign the court must carry out a global assessment, taking into account all matters relevant to the circumstances of the case. Those factors include the degree of similarity between the mark and the sign; the nature of the goods

or services for which the mark is registered and in relation to which the sign has been used, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public; the strength of the mark's reputation; the degree of the mark's distinctive character, whether inherent or acquired through use; and the existence of the likelihood of confusion on the part of the public: Intel at [42].

137.

In this case I am satisfied that the Mark did have a sufficient reputation in early 2009 to qualify for protection and I have considered all of the other the factors identified in Intel earlier in this judgment. I explained that I considered they left the issue of the likelihood of confusion finely balanced but having regard to them all I have no doubt there was a greater possibility that the use of the sign would bring the Mark to the mind of the average consumer.

138.

That brings me to the evidence of 'wrong way round' confusion. I have already addressed that evidence in some detail and in my judgment it cannot be disregarded. As of early 2009 CEL had established a reputation under the mark in connection with the Birmingham and Cardiff venues. Thereafter and, by way of a perfectly reasonable and normal expansion of its business within the scope of its registration, CEL began to use the Mark in connection the Oxford and Nottingham venues. In the meantime Fox had launched glee and broadcast it on E4, and in that way glee had come to the attention of a vast number of consumers up and down the country. It was therefore inevitable that many consumers would come across glee before they came across the Mark. But the evidence before the court of their reaction on doing so demonstrates that, having regard to all the matters identified in Intel, the use by Fox of the sign glee was such that average consumers would make a connection between the sign and the Mark. I would therefore reject the submissions of Mr Purvis to the contrary.

Detriment

139.

Mr Purvis also attacks the judge's approach to detriment. Here he focuses upon the reasoning at [134] of the judgment. He points out, correctly, that the deputy judge said first, that, although some people might be put off, this applied generally only to people who had not heard of CEL's business. This, says Mr Purvis, ought to have been a fatal blow to the case under s.10(3) for such people were not those with whom CEL had a reputation, so that there could be no detriment to the repute of the trade mark if they were 'put off'. Moreover, continues Mr Purvis, such people could not, by definition, be those to whom the use of the sign would call the Mark to mind, since they were not aware of the Mark at all. In the case of such persons there could not be any connection between the detriment and the link or calling to mind required for s.10(3) infringement.

140.

Mr Purvis also attacks the reasoning of the deputy judge in the last sentence of [134]. There, the deputy judge said that, because of the difference in the underlying theme of the TV show from CEL's comedy shows, CEL's customers were put off if they thought there was a connection with the TV show. This, says Mr Purvis, is exactly Fox's point because mere calling to mind would never put anyone off unless they actually believed that the business of one was actually controlled, connected or economically associated with the business of the other. It follows, says Mr Purvis, that the deputy judge here found that the s.10(3) case could not succeed if the s.10(2) case failed. Accordingly, if Fox succeeds on s.10(2), it must also succeed under s.10(3).

141.

I disagree. The protection afforded to a mark with a reputation extends beyond existing customers and actionable damage includes dilution, blurring and whittling away so that the mark's ability to identify the goods and services for which it is registered and used as coming from the proprietor is weakened. Here the evidence as a whole showed that actual and potential consumers were connecting the business of Fox with that of CEL. Further the scale of Fox's use of glee was such as to have a serious impact on CEL's business and its ability to use the Mark for the purposes of identifying and promoting its venues as its own. The capacity of the Mark to stimulate the desire by consumers to attend CEL's venues was in this way seriously impaired, as was its power to attract consumers. As the deputy judge noted, this was reflected in the problems faced by its advertising agents and in the fact that many potential consumers were put off because they thought the two businesses were connected, as I develop below.

Change in economic behaviour of customers

142.

CEL contended at the trial that the deputy judge had before him objective evidence of the difficulties of establishing the venues in Oxford and Nottingham in that the turnover figures were relatively low compared to those of the established venues. This did not impress the deputy judge, however. He considered that it was very difficult to attempt to assess the effect of Fox's activities upon CEL's turnover.

143.

This, says Mr Purvis, should have been the end of the case in respect of s.10(3) infringement. At this point, the deputy judge should have rejected the allegation of s.10(3) infringement for he should have found that the allegation of economic harm had not been made out. But, as Mr Purvis rightly points out, the deputy judge went on to refer to the evidence of consumers' reactions to Fox's activities. Here again, says Mr Purvis, the deputy judge fell into error for none of the evidence to which the deputy referred came close to establishing the necessary higher standard of proof of detriment or risk of detriment involving a change in economic behaviour which the law requires.

144.

Once again, I am unable to accept these submissions. The deputy judge was entitled to find on the evidence before him that potential customers were changing their economic behaviour and that the Mark was suffering detriment because it was being swamped by Fox's use of its sign. In that regard the deputy judge had before him the evidence of Ms Shaw and her colleagues at m360 that they had to adapt their marketing campaign in an endeavour to distinguish the Nottingham venue from glee; the evidence of Mr Mortimore that CEL had to make and distribute thousands of flyers in Oxford to quell the confusion occurring there and distinguish the Oxford venue from glee; and the evidence of Mr Burns and Mr Jackson about the detrimental effect glee had upon their efforts to attract young people to attend their stall. In my judgment this and the other evidence adduced by CEL at trial about the real effect on consumers of the launch of glee does constitute evidence of a change in economic behaviour of average consumers, or evidence of a serious likelihood that such a change would occur in the future.

Without due cause?

145.

The deputy judge dealt with this issue in short order. He held that, since the use was likely to cause confusion, it was plainly without due cause. He could see no objective justification for Fox's use of the sign if it caused confusion with the Mark or even, if it did not cause confusion, if it damaged the Mark.

146.

Mr Purvis contends that the deputy judge failed here to consider three important matters: first, the fact that Fox had adopted the name glee in good faith; second, the lack of any material similarity between the parties' respective services; and third, that a television series is a work of expressive creation, no less than a novel or a painting, and that the claim constituted an interference or constraint upon its right to freedom of expression as enshrined in Articles 11 and 13 of the EU Charter and recorded in Recital 2 of the Enforcement Directive 2004/48/EC. He submits that the use of the word 'glee' in the title of the series constituted an honest practice since there was a proper artistic connection between the title of the series and its subject matter, and the use was not implicitly misleading as to the source of the work. Further, having adopted as part of its name a word which has a meaning in English, CEL could not have had a legitimate expectation that it would never appear as or as part of the title of an artistic work such as a TV show.

147.

I recognise that the deputy judge did not deal expressly with the various points on which Mr Purvis relies. I also accept that Fox adopted the sign glee in good faith and that this is a point which weighs in its favour. I also agree that a television series is a creative work. However, this point seems to me to have only modest significance because, as Mr Purvis recognised, complaint is made not of the series but of the name that Fox has chosen to call it and I am not persuaded that a satisfactory alternative name could not have been chosen. As for Mr Purvis's third point, I have dealt with the question of the similarity between the parties' respective services earlier in this judgment and I do not accept that there is a lack of any material similarity between them. To the contrary, I think the services are similar to a material degree. Further, against all of the matters relied upon by Fox must be weighed the fact that there was and remains a likelihood of confusion. Moreover and leaving the likelihood of confusion aside, the use of the sign had caused and was likely to continue to cause significant detriment to the Mark for all of the reasons I have given. Taking all of these matters into account I am satisfied the deputy judge came to the right conclusion. Fox has not shown its use was with due cause.

148.

I would therefore dismiss the appeal against the finding of infringement under s.10(3).

Passing off

Legal framework

149.

In *Reckitt & Coleman v Borden* [1990] 1 WLR 491, [1990] RPC 31 Lord Oliver, giving the leading speech in the House of Lords, summarised the law in these terms at page 499:

"... The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or

a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."

150.

For present purposes I need only refer to one other well established principle: the matter is to be assessed as at the date of the commencement of the activities complained of: see, for example, *Cadbury-Schweppes Pty. Ltd. v The Pub Squash Co. Ltd.* [1981] RPC 429 at page 494.

The approach of the deputy judge

151.

This allegation was dealt with by the deputy judge very concisely indeed. His reasoning is contained in this one paragraph:

"147. An essential element of the tort of passing off is that the use of the sign by the Defendant must result in a misrepresentation. I have held above that the Mark and the sign are confusingly similar. However, the only evidence of misrepresentation is that of Tracey Jones. The rest of the evidence is what I have termed "wrong way round" confusion. That is, evidence of people believing that the Claimant's venues are connected with the Defendant's TV show. Whilst it is true that confusion the "right way round" may well never come to the attention of the parties, I am not convinced that such confusion is sufficiently likely to be said to cause damage to the Claimant. The damage suffered by the Claimant is caused by its venues being confused with the Defendant's TV show and its potential customers being put off. That is not passing off."

152.

He found that the passing off claim therefore failed.

The cross-appeal

153.

Mr Campbell submits the deputy judge's reasoning is unduly concise and flawed. He develops his submissions under four headings: goodwill; wrong-way round confusion; misrepresentation; and damage.

154.

Mr Campbell's submission in relation to goodwill is a short one. He argues that the deputy judge failed properly to address goodwill and, in particular, ought to have found that, by late 2009, CEL had generated a goodwill not just in the Mark but also in the word 'glee'.

155.

I accept this submission. I have little doubt that by late 2009 CEL had established a goodwill in and under the Mark and the word 'glee' in connection with its business conducted through the Birmingham and Cardiff venues.

156.

Mr Campbell's next complaint concerns the judge's rejection of CEL's case based upon wrong way round confusion. He submits as follows. The law of passing off protects goodwill associated with a business against injury by misrepresentation. CEL's case is brought to protect precisely this right, that is to say CEL's property in the goodwill which it had generated under the Mark and the word 'glee'. The fact that customers came across the glee TV series before they came across the business of CEL makes no difference in principle if, when they did come across the business of CEL, they wrongly believed that the two businesses were connected. The end result was still the same: Fox's use of the word 'glee' had invaded CEL's property in its marks. In particular, he continues, CEL had the exclusive right to the reputation and goodwill in the word 'glee' and the Mark; the use by Fox of the word 'glee' constituted a representation that Fox was entitled to use that designation, whereas in fact only CEL was and is entitled to do so; and that when members of the public who were familiar with Fox's use of 'glee' came across CEL's use of the Mark or the word 'glee' in relation to its own services, they wrongly believed that CEL's services were linked to Fox. CEL's exclusivity in those marks has thereby been reduced, blurred and diminished. Further and in any event, continues Mr Campbell, the court can and the deputy judge should here have relied upon the evidence of wrong way round confusion in finding that right way round confusion had been established.

157.

In considering these submissions I think it is very important to keep in mind the distinction between confusion and misrepresentation. I am satisfied that the use of the Mark (and, a fortiori, the use of the word 'glee') in relation to the Oxford and Nottingham venues and the use of the word 'glee' in relation to Fox's TV show was liable to cause confusion. That confusion might arise in the minds of consumers who came across the glee TV show and then one or other of the Oxford or Nottingham venues or (less often) vice versa. Moreover, such a consumer might have thought that the venues and the TV show were run by the same business or that they were run by businesses which were connected in the course of trade.

158.

In the circumstances of this case, such confusion does not establish that Fox has been guilty of any actionable misrepresentation, however. In that regard it must be remembered that, as of late 2009, CEL was only trading through the Birmingham and Cardiff venues and it had established a goodwill in relation to them. Fox then launched the glee TV series. This appears to have given rise to a limited degree of confusion; but it was not such as to cause Mr Tughan any real concern. As he put it, the older clubs have proved to be considerably more robust, as they have a longer history behind them and stronger brand traction and support. I also have well in mind the evidence of Tracey Jones and Robin Morgan relating to the Cardiff venue which is supportive of CEL's case overall. However, having regard to the evidence as a whole, I am not persuaded that the launch of the glee TV series amounted to a misrepresentation such as to cause a significant number of consumers to believe that the

business behind the Birmingham or Cardiff venues was the same as or connected to the business behind glee.

159.

The real problems came to light when CEL opened the Oxford and Nottingham venues. There is no reason to suppose that CEL did so in order to trade off the reputation by this time attaching to the glee TV series. Indeed, it is clear from the evidence that Mr Tughan saw this development as an entirely natural expansion of his business. But the existence of these two venues and the glee TV series undoubtedly caused real problems and a significant degree of confusion, most of it the wrong way round. Does this mean to say that Fox has been guilty of a misrepresentation actionable in passing off? I do not think it does. It seems to me that Fox was no more guilty of an actionable misrepresentation as to the nature of its business after the Oxford and the Nottingham venues opened than it was before. In this regard it is to be noted that the scope of protection conferred by the law of passing off is not the same as that afforded by a registered trade mark. As we have seen, in considering a claim for infringement the court need not restrict its consideration to the particular way the mark has been used and the goodwill that has been generated in connection with it, and may take into account a notional and fair use of the mark in relation to all of the goods and services for which it is registered. But of course all of the other conditions for protection must also be satisfied.

160.

This naturally leads into Mr Campbell's third complaint, namely that the deputy judge should have found for CEL in any event. Here, says Mr Campbell, the deputy judge ought to have had regard to the following matters. First, CEL had one witness of spontaneous real world confusion in the form of Tracey Jones, and the deputy judge had found her evidence entirely credible; and further, there was nothing before the deputy judge to suggest that Ms Jones' views were atypical. Second, the deputy judge's own view on seeing the Mark and the sign was that the one was likely to be confused with the other but, when it came to passing off, he wrongly failed to take this into account. This is particularly important, continues Mr Campbell, since whether something amounts to a misrepresentation is a kind of jury question for the judge. Third, it is clear from the judgment in relation to the form of order that the deputy judge thought that CEL might have suffered substantial damage and went on to order Fox to pay £100,000 by way of an interim payment. Finally, the deputy judge failed properly to take into account the fact that CEL was also the owner of goodwill in connection with the word 'glee' alone. Having regard to all of these matters, the deputy judge ought to have found that CEL had established its case in passing off.

161.

I can deal with these submission quite shortly. I have referred to the evidence of Ms Jones already. Whilst certainly relevant, it must be seen in the context of all the other evidence to which I have referred, including that of Mr Tughan. I have come to the conclusion, as did the deputy judge, that the evidence of Ms Jones was not of itself sufficient to establish that Fox was guilty of passing off. Further, the deputy judge expressed his own view on seeing the Mark and the sign in the context of his analysis of the claim for infringement of registered trade mark, and, for the reasons I have given, I think that analysis was inadequate. It seems to me that in these circumstances little weight can be attached to the deputy judge's own impression. I found Mr Campbell's point on damage equally unpersuasive for it fails to take into account the different scope of protection afforded by a registered trade mark. Finally, it is true that the deputy judge made no mention in his analysis of the fact that CEL had established a goodwill in the name 'glee' alone. But this goodwill had been generated by and

was associated with the business conducted through the Birmingham and Cardiff venues and this was not materially affected by the launch of the glee TV series.

162.

Mr Campbell's fourth complaint is that the deputy judge fell into error in the way he approached the issue of damage. I am unable to accept that is so. The deputy judge found, as he was entitled to, that the damage suffered by CEL was not the consequence of any misrepresentation by Fox. I am satisfied that he was right to dismiss the claim for passing off.

Conclusion

163.

I would dismiss this appeal subject to the outstanding issue concerning the compatibility of s.41 of the 1994 Act with EU law. I would also dismiss the cross-appeal.

Lord Justice Lloyd Jones:

164.

I agree.

Lady Justice Arden:

165.

I also agree.