



Neutral Citation Number: [2023] EWCA Civ 1247

Case No: CA-2023-000868

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES, INTELLECTUAL PROPERTY LIST (ChD)

Mrs Justice Bacon
[2022] EWHC 901 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 27 October 2023

Before :

LORD JUSTICE ARNOLD
LORD JUSTICE NUGEE
and
SIR CHRISTOPHER FLOYD

Between :

EASYGROUP LIMITED

- and -

(1) NUCLEI LIMITED
(2) PATHWAY IP SARL
(3) REGUS GROUP LIMITED
(4) IWG PLC

**Claimant/
Appellant**

**Defendants/
Respondents**

Simon Malynicz KC and Stephanie Wickenden (instructed by Stephenson Harwood LLP)
for the Appellant
Mark Vanhegan KC and Jaani Riordan (instructed by Mishcon de Reya LLP) for the
Respondents

Hearing dates : 10-11 October 2023

Approved Judgment

Lord Justice Arnold:

Introduction

1. The Claimant (“easyGroup”) appealed against an order of Bacon J dated 25 April 2022 dismissing easyGroup’s claim that the Defendants had infringed four trade marks owned by easyGroup consisting of or comprising the word EASYOFFICE by the use of signs consisting of or comprising the word EASYOFFICES, and revoking those trade marks for non-use, for the reasons given in her judgment dated 13 April 2022 [2022] EWHC 901 (Ch). At the conclusion of the argument on the appeal the Court announced that the appeal would be dismissed for reasons to be given later, with the order to take effect when the reasoned judgment was handed down. That made it unnecessary for the Court to hear argument on two respondents’ notices served by the Defendants, which included a contingent application for permission to cross-appeal in respect of counterclaims for declarations of invalidity which the judge had dismissed. My reasons for agreeing to that disposition of the appeal are as follows.
2. The judge was faced with a dispute of remarkable complexity as a result of a history extending back to the year 2000, and she had to determine a large number of issues. Although the issues raised by the appeal lie within a relatively narrow compass, and some of the history is only directly relevant to other issues, much of it has some relevance to the appeal. The account set out below is an abbreviated and slightly re-organised version of that set out by the judge.
3. It is common ground that none of the issues arising on the appeal, which concern a claim commenced before the United Kingdom left the European Union, and events well before that, are affected by Brexit.

The parties

4. easyGroup is a holding company established by Sir Stelios Haji-Ioannou in August 2000 to be the owner and licensor of all intellectual property rights relating to the various “easy” businesses founded by Sir Stelios, such as easyJet and easyCar. Since November 2000 those businesses have operated under licences granted by easyGroup.
5. The Defendants are now all members of the IWG group of companies.
6. The First Defendant (“Nuclei”) was set up by Jonathan Abrahams in late 1999, acquired the domain name www.easyoffices.com in February 2000 and has traded successively as “Easyoffices”, “easy offices”, “easyoffices” and “EasyOffices” since around May 2000. The judge described Nuclei’s business at [9] as “the online advertising or brokerage of serviced office space and related services”.
7. The Second Defendant (“Pathway”) used to be the intellectual property holding company for the IWG group. Pathway was the assignee of two UK trade marks referred to in these proceedings as “the BAA marks”, and in 2010 it applied to invalidate easyGroup’s trade marks on the basis of one of those marks. As part of a corporate restructuring in July 2019 all the IWG group’s intellectual property was transferred to a Swiss company.

8. The Third Defendant (“Regus”) is a holding company within the IWG group. It acquired the entire shareholding of Nuclei in September 2007. In May 2008 51% of the shareholding of Nuclei was transferred back to Mr Abrahams (albeit with no right to receive dividends and subject to a repurchase option in Regus’ favour), leaving Regus with a 49% minority shareholding.
9. The Fourth Defendant (“IWG”) is the ultimate parent company of the IWG group, and is therefore the parent of Nuclei, Pathway and Regus.
10. The judge held that, if Nuclei had infringed any of easyGroup’s trade marks, Pathway, Regus and IWG would be jointly liable for such infringements. The Defendants do not challenge that conclusion.

The Trade Marks

11. One of the four trade marks originally relied upon by easyGroup is no longer relied on and may therefore be ignored. The remaining trade marks (“the Trade Marks”) are as follows:
 - i) United Kingdom Trade Mark No. 2313528A (“UK528A”) applied for on 18 October 2002 in respect of (inter alia) “hire of temporary office space” in Class 43. This is a series registration of four marks: the word EASYOFFICE, , “easyOffice” and the two devices shown below.



- ii) European Union Trade Mark No. 2907509 (“EU509”) for the word EASYOFFICE applied for on 18 October 2002 in respect of (inter alia) “rental of offices” in Class 36 and “hire of temporary office space” in Class 43.
 - iii) European Union Trade Mark No. 11624376 (“EU376”) for the figurative mark shown below applied for on 4 March 2013 in respect of (inter alia) “rental of offices” and “rental of office space” in Class 36 and “hire of temporary office space” and “information, advisory and consultancy services for all the aforesaid services” in Class 43.



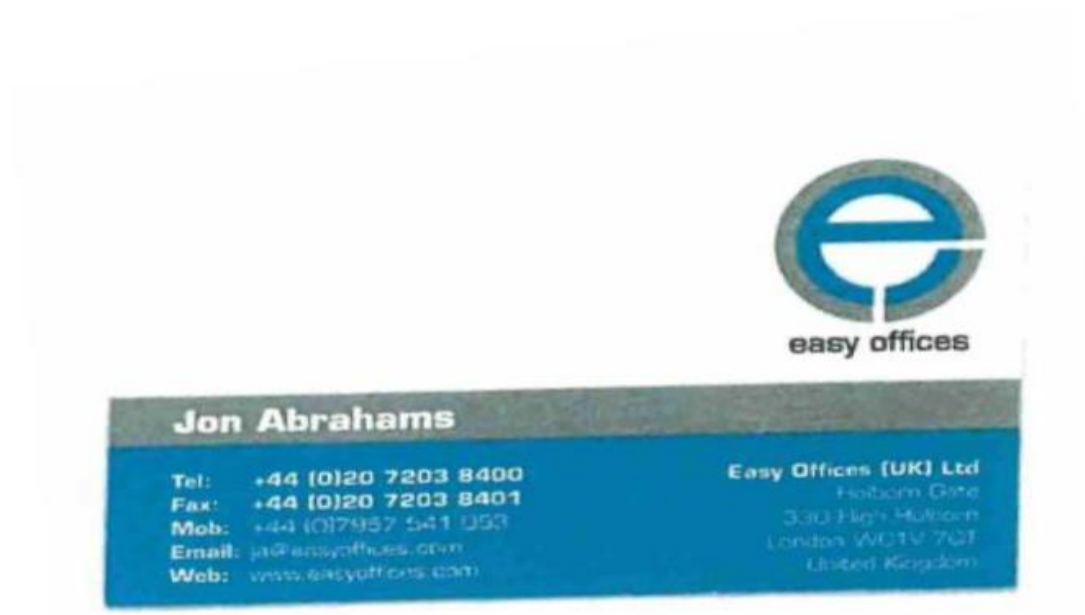
Signs used by Nuclei

12. There is no dispute that, prior to about November 2000 and since January 2005, Nuclei has used the sign EASYOFFICES. From about November 2000 to January 2005 it used the sign EASY OFFICES, but neither side suggested that this should be regarded as different.

13. To begin with, Nuclei used a logo designed by Mr Abrahams. From about November 2000 to April 2001 Nuclei used the logo and corporate livery illustrated below.



14. Following correspondence with easyGroup discussed below, from April 2001 to January 2005 Nuclei used the logo and corporate livery illustrated below.



15. Since January 2005 Nuclei has used the logos shown below.

	January 2005 – May 2011
	May 2011 – February 2015
	February 2015 – November 2019
	November 2019 – Present

The factual background

Nuclei's business

16. Nuclei's business has always been primarily an online business, supported by a call centre. Nuclei's revenue was £14,147 in the year ending 30 November 2000, £274,248 in the year ending 30 November 2001 and over £350,000 in the year ending 30 November 2002. By 2002, Nuclei's clients already included many of the largest suppliers of serviced office space in the UK, including Regus. Nuclei's revenue increased to over £1.37m in the year ending December 2007. In the year ending December 2013 Nuclei's turnover was £852,747.

easyOffice

17. Following the launch of easyJet in 1995, Sir Stelios embarked upon various other business ventures that used the “easy” branding. The first of these were easyEverything (later renamed easyInternetcafé), which operated retail consumer internet cafes from June 1999; easyRentacar, which traded from April 2000; and easyValue, a price comparison website which was launched in November 2000. These businesses, like all subsequent “easy” businesses, shared a visual brand identity which was originally designed for easyJet in 1995 and which consisted of three elements: (i) the Cooper Black font; (ii) lowercase “easy” plus a capitalised second word; and (iii) white lettering on a Pantone 021c orange background.
18. The idea for easyOffice appears to date back to around September 2002. This led to the applications to register UK528A and EU509 being filed on 18 October 2002. By 13 March 2003 easyGroup had also acquired the domain name www.easyoffice.co.uk. No concrete steps were taken to launch the business until June 2006, however.
19. easyOffice opened its first location in Kensington, London on 14 November 2007 to a fanfare of publicity. That included a press release posted on both the easyOffice website and www.easy.com, which was also sent to a long list of media outlets. The launch was duly picked up in the media, including *The Estates Gazette* and *The Sunday Times*.
20. easyOffice Ltd was incorporated in June 2008. In August 2008 Mark Smith was appointed as CEO. It appears that he remained in that post until some time in 2013.
21. easyOffice was initially a successful business. Between 2007 and around March 2009 the Kensington location was running at over 80% capacity. In 2009 easyOffice expanded into four further London locations (Camden, Mayfair, Canary Wharf and

Park Royal) and a location in Glasgow. Five further London locations followed (Hammersmith, Old Street, Wimbledon, Colindale, Borehamwood, and Brentford) as well as locations in Bristol and Manchester in 2010–2011.

22. By 2012, however, the tide had turned and customer numbers were decreasing. During one week in August 2012 there were just 25 transactions across all easyOffice branches, with occupancy rates at around 30% per day. The declining customer interest led to the closure of branches, and by February 2013 only the Wimbledon and Old Street locations were listed on the easyOffice website.
23. In July 2012 easyOffice Ltd entered voluntary liquidation, and in December 2014 the company was dissolved. Nevertheless easyGroup appears to have carried on the easyOffice business in the manner, and to the extent, discussed below until January 2019. In September 2019 easyGroup licensed Citibase to carry on the business under the name easyHub.

easyOffice Croydon

24. In August 2013 the easyOffice website announced the opening of new office space in Croydon. In October 2013 easyOffice emailed customers using its Old Street location advising them that it intended to stop taking further bookings at that location at the end of October 2013 and inviting booking for easyOffice Croydon from 4 November 2013. It appears that easyOffice stopped taking bookings for Wimbledon at about the same time. The first customer booking for Croydon appears to have been on 19 February 2014. It appears that this office space was initially located on the ground floor of a nine-storey building the remainder of which was used as (and branded as) an easyHotel. Following a refurbishment of the second floor, space on the second floor was available from December 2014 onwards. easyOffice Croydon was closed by May 2016.

easyOffice arrangement with Instant Offices

25. easyOffice partnered with Instant Offices from about June 2007 to January 2019. Instant Offices was (and remains) a competitor to Nuclei as a broker of serviced office space. It provided a service to easyOffice customers on a “white label” basis i.e. the service was provided by Instant Offices but branded easyOffice. As explained below, the details of this arrangement are unclear.

Correspondence in 2001-2003

26. On 28 February 2001 Denton Wilde Sapte wrote to Mr Abrahams on behalf of easyGroup (UK) Ltd complaining that a letterhead used by Nuclei “incorporates some of the distinctive elements of our client’s brand identity in that it uses the mark ‘easy offices’ which is written in white lettering against an orange background.” The letter stated that easyGroup was concerned that potential customers would be confused into believing that Nuclei was connected with or authorised by easyGroup. The letter then stated:

“Our clients are anxious to resolve this matter without recourse to litigation and therefore request that you provide them with

signed undertakings in the form attached. In any event our clients fully reserve their rights.”

The undertakings essentially required Nuclei to stop using livery incorporating white characters printed on an orange background.

27. Nuclei did not respond. On 21 March 2001 Denton Wilde Sapte sent a further letter complaining in addition about the Easy Offices website and about advertising on FT.com. The letter requested broader undertakings which were said to supersede the undertakings previously requested.
28. On 25 March 2001 Mr Abrahams responded by returning a signed copy of the original undertakings. Despite the 21 March 2001 letter stating that the original undertakings had been superseded, this response was apparently considered acceptable by easyGroup.
29. On 11 November 2002 Norton Rose wrote to Mr Abrahams on behalf of easyGroup (and other “easy” companies) alleging passing off based on Mr Abrahams’ registration and use of the domain names www.easyoffices.com and www.easyvirtualoffices.com. They requested that Mr Abrahams and Easy Offices provide signed undertakings in the form attached to the letter, which required among other things that Mr Abrahams and Easy Offices should assign to easyGroup all internet domain names of which they were the registered owners or controllers and which contained the word EASY in combination with a letter, word or words.
30. Mr Abrahams replied the following day rejecting the allegations and stating that he had already dealt with the matter a year before with Denton Wilde Sapte, who had been satisfied with his response. On 2 June 2003 Norton Rose wrote saying:

“Our clients are not satisfied by your responses to the assertions made in our clients’ letter of 11 November 2002. Our clients therefore reserve all their rights in this matter.”

2007 UK invalidity and revocation actions

31. On 6 July 2007 McDermott Will & Emery wrote to easyGroup on behalf of Nuclei, asserting that easyGroup was passing off by its provision of offices under the easyOffice mark, and by using the website www.easyoffice.co.uk. Nuclei requested undertakings from easyGroup not to pass itself off as Easy Offices, and to assign UK528A and another trade mark to Nuclei. On 11 July 2007 easyGroup’s solicitors responded denying passing off, and declined to provide the undertakings sought.
32. Nuclei’s response was to file invalidity and revocation actions in the United Kingdom Intellectual Property Office in relation to UK528A and another trade mark on 22 August 2007. The invalidity actions were brought on the grounds that Nuclei had an earlier unregistered right and that the easyGroup marks had been registered in bad faith. The revocation actions were brought on the grounds that easyGroup’s use of the marks was misleading or liable to mislead the public as to trade origin.
33. On 16 October 2007 easyGroup filed counterstatements with the UKIPO. On 27 November 2007 Nuclei and easyGroup jointly requested the suspension of the

ongoing proceedings until 4 April 2008 on the basis that they were in negotiations. The UKIPO subsequently granted extensions of the suspension.

34. The upshot of those discussions was that the parties agreed in September 2009 that all of the 2007 invalidity and revocation actions were to be withdrawn, with no order for costs.

2010 UK and EU invalidity actions

35. On 18 August 2009 Nuclei acquired two UK trade marks for EASYOFFICE which had been owned by BAA (IP Holdco) Ltd (“the BAA marks”). Nuclei assigned the BAA marks to Pathway on 4 September 2009, very shortly before the settlement of the 2007 UK invalidity and revocation actions.
36. On 21 September 2009 easyGroup applied to the UKIPO to revoke the BAA marks for non-use.
37. In August 2010, while that revocation action was still pending, Pathway filed invalidity applications in the UKIPO in respect of UK528A and another mark, and in the European Union Intellectual Property Office in respect of EU509. All three applications were based on one of the BAA marks. Those actions were stayed in September and October 2010 by agreement, pending the outcome of the determination of easyGroup’s application to revoke the BAA marks.
38. On 6 June 2011 the UKIPO revoked the BAA marks. Pathway appealed that decision to the High Court. The appeal was dismissed by Henry Carr J on 21 December 2018 ([2018] EWHC 3068 (Ch), [2019] FSR 8). As he explained, the lengthy delay in determining the appeal was due to the fact that the parties consented to an adjournment of the appeal pending the outcome of a reference to the Court of Justice of the European Union in another case. Although judgment was handed down by the CJEU on 19 June 2012, it appears that Pathway did not thereafter seek to relist the appeal until prompted to do so by easyGroup in early 2017.
39. On 29 May 2019 the UKIPO notified the parties that the UK invalidity actions were deemed to have been “withdrawn” as a result of the revocation of the relevant BAA Mark. Although Pathway disputed that it had withdrawn the actions and requested the UKIPO to proceed to determine them, the UKIPO refused to do so on 20 March 2020. Pathway did not appeal against either decision.
40. On 28 January 2020 the Cancellation Decision of the EUIPO rejected the EU invalidity action on the ground of revocation of the relevant BAA mark. Pathway’s appeal against that decision was dismissed by the First Board of Appeal on 16 February 2021.

Opposition proceedings in 2007-2009

41. In August 2007 Nuclei filed applications for various UK trade marks for EASYOFFICES and EASYOFFICES.COM, and in October 2008 it also applied to register EU trade marks for EASYOFFICES. easyGroup opposed those applications in 2008 and 2009. All of those opposition proceedings were stayed pending the

determination of the dispute regarding the BAA marks, and remain stayed pending the outcome of the present proceedings.

This claim

42. The infringement claim was commenced by easyGroup on 15 May 2019, initially only against Nuclei. Nuclei then counterclaimed for a declaration that each of easyGroup’s trade marks was invalidly registered, having regard to Nuclei’s prior reputation and goodwill in the UK. In the alternative Nuclei sought revocation of the marks for non-use. Subsequently easyGroup joined the other Defendants, and Nuclei added a counterclaim for invalidity on the ground of bad faith.

Legislative framework

43. easyGroup’s claim for infringement of UK582A is made under section 10(1) and (2) of the Trade Marks Act 1994, which implemented successively Article 5(1)(a) and (b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, Article 5(1)(a) and (b) of European Parliament and Council Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version) and Article 10(2)(a) and (b) of European Parliament and Council Directive 2015/2436/EU of 16 December 2015 to approximate the laws of the Member States relating to trade marks (recast). There is no material difference between these provisions.
44. easyGroup’s claims for infringement of EU509 and EU376 are made under Article 9(1)(a) and (b) of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark trade (codified version) and Article 9(2)(a) and (b) of European Parliament and Council Regulation 2017/1001/EU of 14 June 2017 on the European Union trade mark (codification) (“the EUTM Regulation”), although on the Defendants’ case it is also necessary to have regard to Council Regulation 40/94/EC of 20 December 1993 on the Community trade mark. There is no material difference between these provisions, and they are *mutatis mutandis* in the same terms as the corresponding provisions in the Directives. For convenience I shall refer solely to Article 9(2)(a) and (b) of the EUTM Regulation.
45. Section 10(1) and (2) of the 1994 Act provide:
- “(1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- (2) A person infringes a registered trade mark if he uses in the course of trade a sign where because—
- (a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or

- (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.”

46. The Defendants’ counterclaim for revocation of the Trade Marks for non-use is made under section 46(1)(a) and (b) of the 1994 Act, which implemented successively Articles 10(1) and 12(1) of Directive 89/104, Articles 16(1) and 19(1) of Directive 2008/95 and Articles 16(1) and 19(1) of Directive 2016/2436, and under Articles 15(1) and 51(1)(a) of Regulation 207/2009 and Articles 18(1) and 58(1)(a) of the EUTM Regulation. There is no material difference between section 46(1)(a) and (b) and the provisions of the Directives, and the provisions of the Regulations are *mutatis mutandis* in the same terms as those of the Directives.

47. Section 46(1)(a) and (b) of the 1994 Act provide:

“The registration of a trade mark may be revoked on any of the following grounds—

- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

...”

Infringement under section 10(1) of the 1994 Act/Article 9(2)(a) of the EUTM Regulation

The law

48. The case law of the CJEU shows that, in order to establish infringement under section 10(1) of the 1994 Act and Article 9(2)(a) of the EUTM Regulation, six conditions must be satisfied: (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 of the trade mark; (iv) it must be of a sign which is identical to the trade mark; (v) it must be in relation to goods or services which are identical to those for which the trade mark is registered; and (vi) it must affect, or be liable to affect, one of the functions of the trade mark. In the present case there are issues as to each of requirements (iii), (iv), (v) and (vi). For reasons that will appear, however, it is unnecessary to consider requirements (iii) and (vi).

49. *Identity of mark and sign.* In Case C-291/00 *LTJ Diffusion SA v Sadas Vertbaudet SA* [2003] ECR I-2799 the CJEU ruled that Article 5(1)(a) of Directive 89/104 “must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer”. The CJEU’s judgment was analysed by Jacob LJ, with whom Rix and Auld LJ agreed, in *Reed Executive plc v Reed Business Information Ltd* [2004] EWCA Civ 159, [2004] RPC 40. Jacob LJ said at [27] that “there is no reason to suppose that the Court meant to soften the edges of ‘strict identity’ very far”. He went on to point out at [32] that “[y]ou can only have ‘identity’ if there is both aural and visual identity”.
50. Counsel for easyGroup relied on *International Business Machines Corp v Web-Sphere Ltd* [2004] EWHC 529 (Ch), [2004] FSR 39. In that case Lewison J (as he then was) held, applying the guidance in *LTJ v Sadas* and *Reed v Reed*, that the sign “Web-Sphere” was identical to the word mark WEBSHERE. Counsel for the Defendants relied upon the EUIPO’s *Trade Mark Guidelines*, which state that “[a] difference of just one letter is sufficient for a finding of non-identity”, giving as examples cases in which NOVALOY was held non-identical with NOVALLOY and HERBOFARM non-identical with HERBO FARMA.
51. *Identity of services.* Whether there is identity of services depends in part on the interpretation of the specification of services of the trade mark. In *Reed v Reed* Jacob LJ cited and applied the principle he had stated in *Avnet v Isoact Ltd* [1998] FSR 16 at 19:
- “... specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

The judge’s assessment

52. The judge proceeded on the basis that the relevant date for assessment of the infringement claim was 15 May 2013 (i.e. six years before the claim form was issued). This was not challenged by easyGroup on its appeal (although the Defendants contended by a respondents’ notice that the relevant dates were 18 October 2002, 29 September 2003 and 23 April 2013). The judge took into account evidence both pre-dating and post-dating 13 May 2013 in making her assessment. There is no dispute that she was correct to do so.
53. Although formally easyGroup claims infringement of all three Trade Marks by all of Nuclei’s signs pursuant to section 10(1)/Article 9(1)(a), the judge sensibly concentrated on the word mark in UK528A and EU509 and the sign EASYOFFICES. So too did counsel for easyGroup on the appeal.
54. The judge did not cite any of the case law concerning the test for identity between trade mark and sign. Nor did she make any finding as to whether or not EASYOFFICES was identical to EASYOFFICE applying that test: she stated at [298] and [316] that they were “almost identical”, but that statement is ambiguous.

55. The judge held that the claim failed because none of Nuclei's services were identical to any of the services for which UK528A and EU509 were registered. She expressed her reasons for reaching this conclusion as follows:

“299. ... The closest that the specifications of the UK528A and EU509 marks come to Nuclei's business are the specifications for the hire or rental of temporary office space. Nuclei does not, however, itself hire or rent office space; rather, it acts as a broker for the rental of serviced offices, providing search facilities for potential consumers to find office rentals provided by the companies listed on Nuclei's website.

300. The brokerage of office rental is of course ... related to the activity of hiring or renting office space, but that is not sufficient to engage the provisions of s. 10(1)/Article 9(2)(a).
...

301. ... a service consisting of the brokerage of serviced office space is not an ancillary feature of the rental of the office space itself, but is a different service entirely. [Counsel for easyGroup] argued that anyone visiting the Easy Offices website would understand that this was a 'service of office rental'. I disagree. While the Easy Offices site advertises offices to rent, nothing on the website indicates that Easy Offices itself rents or hires offices. Quite the contrary, the website makes clear that it is a portal to enable people to find office space. ...”

The appeal

56. *The average consumer.* Although it is not relied on as a ground of appeal, counsel for easyGroup pointed out that the judge had made no finding as to who the average consumer of the relevant services was or as to their level of attention. I do not understand it to be in dispute that, as explained in more detail below, there are two distinct classes of consumers of Nuclei's services: (i) suppliers of office space and (ii) those who wish to rent or hire office space. easyGroup's claim focuses on the latter class. Nor do I understand it to be in dispute that the latter class may range from individuals to small and medium-sized enterprises to large businesses who may be seeking anything from space for one person for a few hours to an entire floor of a building for several years. As such their level of attention may vary, but in general I consider that it will be moderately high given that these are somewhat specialised services.

57. *Identity of mark and sign?* easyGroup contends that the judge ought to have held that this requirement was satisfied. I disagree. In my judgment EASYOFFICES is not identical to EASYOFFICE applying the test laid down in *LTJ v Sadas* and *Reed v Reed*. It is important to emphasise that the test is not whether the sign is confusingly similar to the trade mark: it is whether the differences are likely to go unnoticed. I agree with the judge that EASYOFFICE and EASYOFFICES are almost identical, but that is not enough. I also accept the point made by counsel for easyGroup that, even exercising a moderately high level of attention, consumers may mistakenly write or

say EASYOFFICES when they mean to write or say EASYOFFICE, and vice-versa, but again that is not enough. Lawyers and judges sometimes write or say “claimant” when they mean “defendant”, and vice versa, but that obviously does not mean that those words are identical. EASYOFFICES differs visually from EASYOFFICE in that it has an additional letter; it differs aurally in that it has an extra syllable; and it differs conceptually in that it is plural rather than singular. In my view these differences would not go unnoticed by the average consumer.

58. *Identity of services?* In order to determine whether Nuclei has used the sign EASYOFFICES in relation to services identical to services for which the Trade Marks are registered, there are three stages to the analysis.
59. The first stage is to construe the specification of services for which the Trade Marks are registered applying the principle set out in paragraph 51 above. easyGroup contends that the judge wrongly construed the specifications of the Trade Marks. I disagree. It is sufficient for these purposes to concentrate upon the term “hire of temporary office space” in the specifications of UK528A and EU509, which represents easyGroup’s best case. (In saying this I should make it clear that I am not suggesting that there is any material difference in this context between “hire” and “rental”.) Counsel for easyGroup suggested that the judge had interpreted this term as being restricted to hire of temporary office space by an owner of that office, but I do not think that the judge did: she certainly did not do so expressly, and I do not think it is implicit in her reasoning. More importantly, counsel for easyGroup submitted that the judge had been wrong to interpret “hire of temporary office space” as requiring the service provider itself to carry out the act of hire. In my view the judge was correct about this. As she said, services may be ancillary or related to hire, but that does not mean that they are hire.
60. The second stage is to ascertain precisely what Nuclei did (and continues to do). In addition to the passages I have cited in paragraphs 6 and 55 above, two other passages in the judge’s judgment are relevant to this question. First, the judge referred at [23] to Nuclei “using the internet to broker the rental of service offices”. Secondly, she said at [190] that suppliers’ “office space was advertised and supplied by Nuclei via the www.easyoffices.com website under the mark EASYOFFICES”.
61. The judge was not assisted by the fact that both parties used the word “broker” to describe Nuclei’s services without clearly explaining what was meant by that expression in this context. No doubt for that reason, the judge did not explain what she understood it to mean either. Its meaning can, however, be deduced from the evidence of Mr Abrahams. He explained in his witness statement that, since August 2000, Nuclei has operated a commission-based business model under which Nuclei receives a commission from suppliers of office space for each successful introduction of a client, the commission typically equating to 10% of the first year’s rental income. Thus Nuclei acts as an intermediary, providing a free service to consumers seeking offices to hire and a commission-based service to suppliers of office space. This business model has considerable similarity to that of estate agents. In other words, Nuclei acts as an agent (in the broad rather than narrow sense of the word) for suppliers of office space (but not for consumers seeking offices to hire).
62. As noted above, easyGroup’s claim focuses on the service which Nuclei provides to consumers seeking offices to hire rather on the service which Nuclei provides to

suppliers of office space. In my judgment the judge was correct to hold that the service which Nuclei provides to consumers seeking offices to hire is not “hire of temporary office space” because Nuclei does not itself hire office space, the suppliers do. What Nuclei does is to inform and advise such consumers about temporary office space which is available for hire.

63. Counsel for easyGroup relied strongly on a passage in Mr Abrahams’ evidence in cross-examination:

“Q. You are in a unique position, because you are between the operators and the people who want to rent.

A. Correct.

Q. Looking at it purely from the perspective of the people who want to rent, would you agree that this site is offering rental services or not?

A. Rental services?

Q. Are you renting property, how would someone describe the service that you carry out?

A. We have offices to rent.”

64. Contrary to the submission of counsel for easyGroup, I do not consider that this evidence demonstrates that Nuclei provides a service of “hire of temporary office space”; but it is relevant to the next stage of the analysis.

65. Counsel for easyGroup also relied upon the principle of “inclusion identity”, i.e. the principle that goods or services are identical if they fall within the ambit of a term in the specification of goods or services: see in particular Case T-133/05 *Merit v Office for Harmonization in the Internal Market (Trade Marks and Designs)* [2006] ECR II-2739 at [36]. This principle does not assist easyGroup: the service provided by Nuclei is not included within “hire of temporary office space”, it is a related service. Thus the Defendants do not dispute that Nuclei’s service is identical to “information, advisory and consultancy services for ... [rental of offices/rental of office space/hire of temporary office space]” in the specification of EU367.

66. Counsel for easyGroup also relied on an extract from TMClass as showing that “agencies or brokerage for renting of buildings” was a subset of “rental of real estate and property”. This does not assist easyGroup either. TMClass is a taxonomy tool used to interrogate the harmonised database of terms validated by participating intellectual property offices. It has no legal status or authority with regard to the interpretation of specifications, it does not show the position in 2013, the extract relied on only relates to Class 36, and in any event it is necessary to focus on the specific service provided by Nuclei.

67. The third stage of the analysis is to consider whether Nuclei used the sign EASYOFFICES “in relation to” a service of “hire of temporary office space”. The judge treated her finding that Nuclei did not itself provide a service consisting of “hire of temporary office space” as conclusive of this question. In my judgment that was an

error. As counsel for easyGroup emphasised, the judge found that Nuclei's business was "online advertising ... of service office space" ([9]), that "office space was advertised ... by Nuclei ... under the mark EASYOFFICES" ([190]) and that "the Easy Offices site advertises offices to rent" ([301]). There is no challenge by the Defendants to those findings, which are supported both by Nuclei's admission in its Defence that "it has carried on business in advertising the rental of serviced office space ... under the Sign continuously since around May 2000" and by the evidence of Mr Abrahams I have quoted in paragraph 63 above.

68. Counsel for easyGroup argued that, because advertising constitutes "use" of a trade mark or sign, it necessarily followed that this was use of EASYOFFICES in relation to the hire of temporary office space. Counsel for the Defendants argued that this was use of EASYOFFICES in relation to advertising, which was a different service. In my view neither argument is correct. Nuclei may provide an advertising service to the suppliers of office space, but it does not provide an advertising service to consumers seeking office space to hire. On the other hand, the fact that Nuclei's website is aimed at consumers seeking office space to hire does not necessarily mean this amounts to use of EASYOFFICES in relation to the hire of temporary office space. The real question is whether the average consumer seeking office space to hire would perceive the sign EASYOFFICES as a badge of origin in relation to the office space advertised for hire on the website.
69. An analogous question was considered by the Court of Appeal in *London Taxi Corporation Ltd v Frazer-Nash Research Ltd* [2017] EWCA Civ 52 (Ch), [2017] FSR 7, where one of the issues was whether the average consumer of a taxi (as a good) included a hirer of a taxi (as a service). Floyd LJ, with whom Kitchin LJ agreed, said:
 - "34. As with all issues in trade mark law, the answer to disputed questions is normally provided by considering the purpose of a trade mark which, broadly speaking, is to operate as a guarantee of origin to those who purchase or use the product. In principle, therefore, and in the absence of any authority cited to us which is directly in point, I would consider that the term average consumer includes any class of consumer to whom the guarantee of origin is directed and who would be likely to rely on it, for example in making a decision to buy or use the goods. ...
 35. In the present case I cannot therefore see any *a priori* reason for excluding the hirer of a taxi from the class of consumers whose perceptions it is necessary to consider. The guarantee of origin which the mark provides is directed not only at purchasers of taxis but also at members of the public, such as hirers of taxis. The hirer is a person to whom the origin function of the vehicle trade mark might matter at the stage when he or she hires the taxi. I entirely accept that the hirer is also a user of taxi services, so that any dissatisfaction with the taxi or its performance is likely to be taken up with the taxi driver or his company. But if, for example, the taxi were to fail for reasons not associated with the taxi service, it would be on

the manufacturer identified by his trade mark that the hirer would, or might, wish to place the blame. ...”

70. Similarly, in *W3 Ltd v easyGroup Ltd* [2018] EWHC 7 (Ch), [2018] FSR 16 at [208], I found that the trade marks easyStay and easyHotel on websites were used in relation to shared residential accommodation, even though the websites did not themselves provide such accommodation but linked to another site which did, because “the average consumer would regard easyStay and easyHotel as having some responsibility for the services”.
71. In this case I consider that many consumers seeking office space to hire would perceive EASYOFFICES as having some responsibility for the quality of the service provided by the suppliers even if they appreciated that the suppliers were primarily responsible. The point is conveniently illustrated by the homepage of Nuclei’s website as at 25 March 2015 (a screen shot of which Mr Abrahams incorporated into his witness statement). Underneath the 2015 easyoffices logo (see paragraph 15 above) there is a heading: “FAST, FREE & EASY We search over 1700 serviced offices in the UK to find you the best deals available.” Underneath this is a search box with the legend: “From affordable start up offices to iconic landmark buildings, we have them all.” To the left is the statement: “FREE EXPERT ADVICE Our impartial industry experts are ready to help you find your perfect office.” To the right is the statement: “DEALS TAILORED TO YOU Ask about our rent free options, no deposits and all inclusive packages.” Underneath the search box and these statements is the heading “A WORD FROM OUR HAPPY CUSTOMERS” followed by testimonials from three identified customers under the sub-headings “perfectly suited my needs ...”, “found the perfect office for us ...” and “providing an excellent liaison”. Similar messages are conveyed by earlier and later versions of the home page which are in evidence.
72. It follows that Nuclei has used the sign EASYOFFICES in relation to a service identical to one for which UK528A and EU509 were registered. But, given the lack of identity between the sign and the Trade Marks, this is insufficient for double identity infringement.
73. *Conclusion.* I therefore conclude, albeit for slightly different reasons, that the judge was correct to hold that Nuclei had not infringed the Trade Marks pursuant to section 10(1) of the 1994 Act/Article 9(2)(a) of the EUTM Regulation.

Infringement under section 10(2) of the 1994 Act/Article 9(2)(b) of the EUTM Regulation

The law

74. In order to establish infringement under section 10(2) of the 1994 Act and Article 9(2)(b) of the EUTM Regulation, six conditions must be satisfied: (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 of the trade mark; (iv) it must be of a sign which is at least similar to the trade mark; (v) it must be in relation to goods or services which are at least similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion on the part of the public. Although there is again an issue as to requirement (iii), it is again not necessary to consider this for reasons that will appear.

75. The manner in which the requirement of a likelihood of confusion in Article 10(2)(b) of the Directive and Article 9(2)(b) of the EUTM Regulation, and the corresponding provisions concerning relative grounds of objection to registration in the Directive and the EUTM Regulation, should be interpreted and applied has been considered by the CJEU in a large number of decisions. In order to try to ensure consistency of decision making, a standard summary of the principles established by these authorities, expressed in terms referable to the registration context, has been adopted in this jurisdiction. The current version of this summary is as follows:

- “(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; and
 - (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.”
76. The same principles are applicable when considering infringement, although it is necessary for this purpose to consider the actual use of the sign complained of in the context in which the sign has been used: see *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 at [45], [87] (Kitchin LJ).
77. As I discussed in *Match Group LLC v Muzmatch Ltd* [2023] EWCA Civ 454, [2023] Bus LR 1097 at [39], with the agreement of Nugee LJ and Lord Burnett of Maldon CJ, absence of evidence of actual confusion is not necessarily fatal to a claim under section 10(2)/Article 9(2)(b). The longer the use complained of has gone on in parallel with use of the trade mark without such evidence emerging, however, the more significant it is. In considering the weight to be attached to this factor, it is relevant to consider what opportunity there has been for confusion to occur and what opportunity there has been for any such confusion to have been detected.
78. I considered the doctrine of “honest concurrent use” in *Match v Muzmatch* at [64]-[117]. I concluded that honest concurrent use of the sign complained of is not a defence to a claim for trade mark infringement under section 10(2)/Article 9(2)(b), but may be relied upon as a factor in the infringement analysis. If the claimant establishes a prima facie case of likelihood of confusion, the burden shifts to the defendant to establish that, by virtue of its honest concurrent use, there is nevertheless no adverse effect on any of the functions of the trade mark. In exceptional cases, honest concurrent use may lead to the conclusion that there has been no infringement, even though there is a small level of actual confusion between the trade mark and the sign, if most of the relevant class of consumers have come to understand that the trade mark and the sign denote different trade origins.

The judge’s assessment

79. The judge considered the visual and conceptual similarity between the Trade Marks and Nuclei’s signs at [316]-[317]. She held that the UK528A word mark and EU509 were almost identical to EASYOFFICE, that the black and white mark in UK528A was visually quite similar to some of the logos used by Nuclei from 2011 to 2019, and that this factor pointed towards a likelihood of confusion. By contrast, the visual differences between the orange and white mark in UK528A and EU376 and the logos used by Nuclei after April 2001 pointed away from a likelihood of confusion.
80. The judge considered the distinctiveness of the Trade Marks at [318]. She held the word marks and the black and white marks were far less distinctive than the orange

and white marks and that this would tend to lessen the likelihood of confusion in relation to those marks.

81. The judge considered the similarity of services at [319]. She held that, while not identical, Nuclei's services were closely related to services in respect of which UK528A and EU509 were registered, and this tended to support a likelihood of confusion.
82. The judge considered whether there was evidence of actual confusion at [320]-[326]. She found it striking that there was no evidence of actual confusion between EASYOFFICE and EASYOFFICES despite side by side use from 2007 until around the end of 2012.
83. Although easyGroup's website had solicited evidence of confusion from members of the public since at least November 2002 (as described in *W3 v easyGroup* at [116]-[117]), and easyGroup had been able to search its archive of emails going back to at least 2003, easyGroup had produced no evidence of confusion. The best it had been able to find was two emails from September and November 2003 querying whether Easy Offices was related to easyGroup, but no reference had been made to easyOffice, which was unsurprising given that the business was not launched until four years later.
84. The judge noted that Nuclei's email records only went back to December 2013 (although it had given disclosure of other documents dating back to 2000). easyGroup relied upon an email dated 30 September 2015 from Andy De Wet Steyn (a director of Nuclei) to Tim Felmingham of Axiom (a website designer who was helping Nuclei with optimising the "conversion" rate for visitors to the website):

"New home page is not converting as well as old, as mentioned, I think this is more to do with people thinking the old website was Stelios more than this website is."

The judge held that this was nothing more than speculation about the attitude of others and not evidence of actual confusion.

85. The judge did not accept a submission by counsel for easyGroup that the lack of evidence of confusion was explained by the fact that the respective levels of trade were not sufficient for significant numbers of consumers to encounter both businesses. She concluded at [326]:

"... while I have found that there was no genuine use of the easyOffice marks after 2012, the easyOffice business had by then enjoyed over five years of continuous trading alongside the Easy Offices business, and Nuclei itself had been building up its customer base since 2000. There was therefore ample opportunity for evidence of confusion to have emerged, if confusion was likely. In those circumstances the lack of evidence of confusion is, I find, a material factor suggesting that confusion was not likely."

86. The judge held at [327]-[329] that she could not place weight on the views expressed by the parties in correspondence in 2007.

87. The judge concluded as follows:

“330. Honest concurrent use. The circumstances that I have described above give rise, in my view, to a strong case of honest concurrent use. Nuclei adopted the name Easy Offices several years before easyGroup applied for the UK528A and EU509 marks, and long before the easyOffice business was launched. As described ... above, when contacted by easyGroup in 2001 Mr Abrahams agreed not to use an orange and white livery (or any ‘confusingly similar’ livery), and his logos thereafter moved well away from the design elements that characterised the ‘easy’ company brands. There is, as set out above, no evidence of consumer confusion between the EASYOFFICE and EASYOFFICES marks/signs over the course of a number of years when they were used concurrently. Nor is there any evidence before me suggesting that Nuclei’s use of the EASYOFFICES signs has taken unfair advantage of or has been detrimental to the character or reputation of the easyGroup marks.

331. Overall assessment. In relation to the third mark in the UK528A series and the EU376 mark, the assessment of infringement is very straightforward: the designs of the marks are very different to Nuclei’s logos; that combined with the lack of evidence of confusion clearly indicates that there was no likelihood of confusion. For those marks I have no hesitation at all in finding that there was no infringement, without needing to consider honest concurrent use.

332. In relation to the other marks, the position is more finely balanced, and there are factors pointing in both directions. Overall, however, I have come to the conclusion that despite the similarity of both the marks/signs and the services offered by the parties, the absence of any concrete evidence of confusion in circumstances of over five years of side-by-side use indicates that confusion was not in fact likely; and to the extent that there was confusion, it was such as should be tolerated given the honest concurrent use by Nuclei of the EASYOFFICES sign. I therefore conclude that there was also no infringement in relation to the remaining easyGroup marks.”

The appeal

88. Since the judge’s conclusion that there was no likelihood of confusion involved a multi-factorial evaluation, this Court can only intervene if she erred in law or in principle: compare *Actavis Group PTC EHf v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]-[81] (Lord Hodge) and see *Re Sprintroom Ltd* [2019] EWCA

Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJ). easyGroup contends that the judge erred in principle in a number of respects.

89. *Identity of mark/sign or of services?* The first two points I have already discussed in the context of easyGroup's claim under section 10(1)/Article 9(2)(a): the judge proceeded on the bases that EASYOFFICES was "almost identical" to EASYOFFICE and that Nuclei's services were "closely related" to those for which UK528A and EU509. I have concluded that EASYOFFICES is not identical, although very similar, to EASYOFFICE, while Nuclei did use the sign in relation to "hire of temporary office space". Although I have differed from the judge in these respects, I do not consider that this is material to her assessment of likelihood of confusion. The judge proceeded on the basis that the near identity between the sign and the word marks and the close similarity between the respective services both pointed to a likelihood of confusion. It would have made no difference if she had proceeded on the basis that the sign was very similar to the words and the services were identical.
90. *Aural similarity?* easyGroup points out that the judge failed to consider the extent of the aural similarity between the signs and the Trade Marks. This is true, but again I do not consider that this error undermines the judge's analysis. If anything, the degree of aural similarity between the signs and the word marks and the black and white mark in UK528A is lower than the degree of visual and conceptual similarity. (The aural similarity may be greater than the visual similarity in the case of the orange and white mark in UK528A and EU367, but counsel for easyGroup rightly did not suggest that easyGroup could prevail on those marks if it did not prevail on the word marks or the black and white mark.)
91. *Actual confusion?* easyGroup criticises the judge's reliance on the absence of evidence of actual confusion. The judge made no error of law in her approach to this question: although she did not have the benefit of this Court's judgment in *Match v Muzmatch*, she cited at [309]-[310] a number of previous authorities to the same effect. Counsel for easyGroup submitted that the judge had treated evidence of actual confusion as necessary for a finding of a likelihood of confusion, but this is incorrect. She rightly treated the absence of evidence of actual confusion as a factor pointing against a likelihood of confusion. As has been repeatedly stated by this Court, the weight to be given to that factor was a matter for the judge.
92. Counsel for easyGroup submitted that the email dated 30 September 2015 was evidence of confusion and that the judge was wrong to hold otherwise. I disagree. Nuclei used the sign EASYOFFICE both before and after the change in the website. The only material change was in the logo used by Nuclei (see paragraph 15 above). Putting it at its highest, the email may suggest that some consumers thought that the 2011 logo indicated a connection between Nuclei's business and the "easy" family of businesses founded by Sir Stelios. But that does not assist easyGroup. Counsel for easyGroup pointed out that the Defendants had not called Mr Steyn to give evidence, but they cannot be criticised for that given that easyGroup had not given notice of its reliance upon the email until it was put to Mr Abrahams in cross-examination. Mr Abrahams' evidence was that he was not aware of any confusion between Nuclei's business and easyOffice, and he expressed surprise at what Mr Steyn had written.
93. Counsel for easyGroup also criticised the judge for not recognising that it was possible that Nuclei had received emails evidencing confusion prior to December

2013. There is no evidence that Nuclei did receive any such emails, however, and Mr Abrahams' evidence was to the contrary effect. In any event the judge expressly took this limitation of the documentary evidence into account.

94. The principal criticism advanced by counsel for easyGroup was that the judge had failed to recognise that there had been relatively little opportunity for confusion to have occurred given the relatively modest scale of both parties' businesses. I do not accept this criticism. The judge did consider what opportunity there had been for confusion to occur. Furthermore, she clearly took the view that confusion should have been relatively straightforward to detect given the online nature of both businesses. Her assessment was that, if there had been a likelihood of confusion, then evidence of actual confusion would have emerged during the period of over five years when the two businesses had traded side by side. That assessment was one which was open to her even if another judge might have taken a different view. Although the judge's conclusion may seem a little surprising at first blush, it is explicable by the considerations that the word mark EASYOFFICE has relatively low inherent distinctiveness and the average consumer's level of attention would be moderately high.
95. *Inconsistency?* easyGroup contends that the judge's conclusion was inconsistent with her assessment of Nuclei's counterclaim for a declaration of invalidity of UK528A and EU509 under sections 5(4)(a) and 47(2)(b) of the 1994 Act and Articles 8(4) and 60(1)(c) of the EUTM Regulation if (contrary to the judge's conclusion) Nuclei was not debarred from advancing that counterclaim on the ground of abuse of process. In that context, the judge held at [222] that, as at 18 October 2002, Nuclei had built up a substantial goodwill in the name EASYOFFICES. She went on to hold at [229]:
- “... I consider that there would have been a considerable likelihood that an actual or potential Nuclei customer seeing the UK528A or EU509 word marks or the black and white figurative mark would be deceived into thinking that the source of the services offered under the mark was connected with Easy Offices, leading either to damage to Nuclei's trade (given the related nature of the specifications of the marks) or at least damage to Nuclei's goodwill.”
96. The judge was alive to this point, but she did not think that her conclusions were inconsistent. Nor do I, although there is some tension between them. The conclusion at [229] is looking at what would have been the position in October 2002 given the judge's finding as to Nuclei's goodwill and assuming notional normal and fair use of the word marks and of the black and white version of UK528A. The conclusion at [332] is looking at the position in May 2013 having regard to the context of the use of Nuclei's signs and given what had happened in 2007-2012 (when the Trade Marks and the signs were being used side by side). In any event, even if there is inconsistency in these conclusions, it does not necessarily follow that the non-infringement finding is wrong.
97. *Likelihood of confusion overall?* I therefore conclude that the judge's overall assessment as to the likelihood of confusion was one that was open to her.

98. *Honest concurrent use?* easyGroup contends that the judge was wrong to find that this was a case of honest concurrent use. Again, the judge did not have the benefit of *Match v Muzmatch*, but she directed herself by reference to *Victoria Plum Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911 (Ch), [2017] Bus LR 363, in which Henry Carr J reviewed the earlier authorities. In doing so, she made no error of law.
99. Counsel for easyGroup advanced three criticisms of the judge's reasoning which it is convenient to consider in reverse order.
100. First, he submitted that the judge had wrongly applied honest concurrent use as a separate and free-standing defence and then only contingently i.e. if there was a likelihood of confusion. The first part of this submission mischaracterises the judge's approach. As she expressly stated at [315], she treated honest concurrent use "as something to take into account as part of the global assessment of confusion". The judge did treat honest concurrent use as a factor that only became relevant if there was a likelihood of confusion, but she was correct to do so. It is therefore important to emphasise that the judge's primary finding at [332] was that there was no likelihood of confusion, and that I have concluded that she was entitled to make that finding.
101. Secondly, counsel for easyGroup submitted that the judge had been wrong to find that Nuclei's use was honest. He argued that Nuclei had not behaved in accordance with honest practices in industrial or commercial matters since it had not acted fairly in relation to the legitimate interests of easyGroup as proprietor of the Trade Marks. This is a hopeless argument. Nuclei's use was plainly honest. First, it was the senior user. By the time UK528A and EU509 were applied for, Nuclei had been trading for over two years and was building up its business. By the time easyOffice was launched, Nuclei had been trading for over five years. Secondly, Nuclei had changed its livery when requested to do so by easyGroup in 2001. Thus Nuclei did nothing to exacerbate any confusion at that stage: on the contrary, it took steps to avoid confusion. Counsel for easyGroup submitted that Nuclei had exacerbated the likelihood of confusion by its change of logo in May 2011, but there is no evidence that that change did result in any confusion with any of the Trade Marks. Thirdly, after the correspondence in 2001, easyGroup took no action to restrain Nuclei's use of any of the signs complained of until May 2019. Even if (as the judge held, but the Defendants contested by a respondents' notice) easyGroup did not actually consent to such use and no defence of acquiescence is available, easyGroup knowingly tolerated that use. Moreover, Nuclei knew that easyGroup was aware of its use and knew that easyGroup was tolerating it.
102. Against this, counsel for easyGroup relied upon the various disputes between the parties. Of these, the most pertinent are the 2007 UK invalidity and revocation actions brought by Nuclei and the 2010 UK and EU invalidity actions brought by Pathway. In my view these actions, which were designed to protect Nuclei against the possibility of an infringement claim of the kind that easyGroup eventually brought in 2019, are irrelevant to the honesty of Nuclei's use of EASYOFFICES.
103. Thirdly, counsel for easyGroup submitted that the judge had been wrong to conclude that this was a case of honest concurrent use because she had not found that the relevant public had been educated that EASYOFFICE and EASYOFFICES denoted different businesses, nor did the evidence establish that. It is true that the judge did not expressly make any such finding, but it is implicit in her reasoning that she

considered that, as at May 2013, most consumers had learnt to differentiate between EASYOFFICE and EASYOFFICES. Direct evidence of this is not required, since it could be inferred (see *Match v Muzmatch* at [120]-[121]). Counsel for easyGroup's strongest point was that a mere five and a bit years' parallel trade on a moderate scale is wholly insufficient to enable that inference to be drawn. I have to say that I have considerable sympathy with that submission, but it is not necessary to reach a conclusion on the point for the reasons given in paragraphs 97 and 100 above.

104. *Conclusion.* The judge made no error in holding that Nuclei had not infringed the Trade Marks pursuant to section 10(2) of the 1994 Act/Article 9(2)(b) of the EUTM Regulation.

Revocation for non-use

The law

105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Marken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].
106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:
- (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].
 - (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].
 - (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].
 - (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].
 - (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].
 - (7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].
 - (8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].
107. The trade mark proprietor bears the burden of proving genuine use of its trade mark: see section 100 of the 1994 Act and *Ferrari* at [73]-[83]. The General Court of the European Union has repeatedly held that genuine use of a trade mark cannot be proved by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned: see e.g. Case T-78/19 *Lidl Stiftung & Co KG v European Union Intellectual Property Office* [EU:C:2020:166] at [25]. It has also repeatedly held that the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the proprietor to produce additional evidence to dispel any doubts as to the genuineness of its use: see e.g. *Lidl* at [33]. In *Awareness Ltd v Plymouth*

City Council [2013] RPC 24 Daniel Alexander QC sitting as the Appointed Person said:

- “19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. ...
22. ... it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal ... comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

The judge's assessment

108. When directing herself as to the law the judge cited an earlier, but not materially different, version of the summary of the applicable principles I have set out above in paragraph 106 above. She also cited *Lidl v EUIPO* and *Awareness v Plymouth*. She went on at [256]:

“It is well established that the existence of some retail sales of a product is not itself sufficient to demonstrate genuine use of a trade mark:

- i) In Case C-141/13 P *Reber v OHIM* EU:C:2014:2089 the CJEU upheld the conclusion of the Board of Appeal of OHIM that chocolate sales from a single shop in Bad Reichenall in Germany did not amount to genuine use of a trade mark.
- ii) In Case T-250/13 *Naazneen Investments v OHIM* EU:T:2015:160 the General Court upheld the conclusion of the Board of Appeal of OHIM that the sale of 15,552 bottles of energy drink was insufficient to prove genuine use, in the context of the overall size of the market for beverages.

- iii) In Decision O-222-16 *In re Nike Innovate (JUMP MAN)* (18 April 2016), Mr Alexander QC, sitting as the Appointed Person, upheld the Hearing Officer's conclusion that sale of 55,000 pairs of shoes from a shop in Bulgaria (with 'very modest' trade sales to Romania) was insufficient to constitute genuine use having regard to the market context. He commented, in particular, at §94 that there was "tiny proven use in the context of the economic market as a whole in a single shop in a single mall in a single town in one EU state."
109. The judge noted that the relevant period for the assessment was 15 May 2014 to 14 May 2019, and that, if there was no genuine use of the Trade Marks during that period, the question would arise as to whether they should be revoked as from an earlier date.
110. The judge explained that easyGroup relied on two types of use during the relevant period: first, hire of office space in the Croydon premises; and secondly, the arrangement with Instant Offices. The judge said at [261]:
- "The Croydon premises are relied upon to establish use of all three of the easyGroup trade marks. The arrangement with Instant Offices is, however, only relevant to the use of EU376, since the service provided by Instant Offices, namely a brokerage service for serviced office space, fell outside the specifications for the UK528A and EU509 marks. (I address the specifications for the marks in more detail below in my discussion of infringement.)"
111. The judge's starting point when considering both types of use was that the main witness called by easyGroup to prove use of the Trade Marks was Sir Stelios. The judge found Sir Stelios to be a deeply unimpressive witness, whose witness statement had contained substantial material not within his personal knowledge, who repeatedly contradicted points set out in his statement and who had a poor recollection of the relevant events. The judge concluded that she could place very little weight on his evidence save where it was corroborated by other evidence. The only other witness called by easyGroup who gave relevant evidence was Gavin Richardson, a graphic designer employed by various "easy" companies including easyGroup from 1999 to 2011, who was able to speak to the use of easyOffice branding by Instant Offices. Although easyGroup relied by way of hearsay notice on two witness statements made by Mr Smith in the UKIPO and EUIPO proceedings in December 2009 and May 2010, no satisfactory reason had been given by easyGroup for not calling Mr Smith. In any event his evidence did not cover the relevant period.
112. The judge considered easyGroup's evidence as to use in relation to the Croydon premises at [263]-[271]. There is no dispute that, if there was genuine use of the Trade Marks in relation to Croydon during the relevant period, then such use was in relation to "hire of temporary office space"/"rental of offices"/"rental of office space".
113. The only booking records disclosed by easyGroup for the Croydon premises related to the period up to September 2014, showing total revenue for May to September 2014

of £1,051.20 generated from a total of four customers. The judge found that the most probable reason for the lack of evidence of bookings after September 2014 was that there were simply no further customers for the Croydon premises.

114. The evidence also showed minimal marketing activity for the Croydon premises during the relevant period: a payment in December 2014 of £2,000 per month for two months of Google advertising; an email on 8 December 2014 to 50 people who had enquired about easyOffice; and a further email a few days later to 340 people who had signed up for “easyOffice offers” via the easyOffice website.

115. The judge concluded at [271]:

“In the present case, the easyOffice business was not a new entrant in a niche sector. It had been in business since 2007 as part of a very successful family of brands supported by sophisticated marketing capabilities; and it was operating in a mature sector with established markets for the provision of serviced offices across all of the major European cities. An Instant Offices report produced in 2012 stated that in the UK alone over 31 million square feet of serviced office space was then available across a total of 2105 open centres. In that context, evidence of revenues of just over £1,000 generated by four customers from June to September 2014, who used between them a handful of desks on a single floor of a Croydon hotel building, accompanied by only desultory marketing efforts during the relevant period, does not come close to showing genuine use of the mark for the purpose of creating or preserving market share in this sector.”

116. The judge considered easyGroup’s evidence concerning the arrangement with Instant Offices at [272]-[283].

117. Sir Stelios described the partnership with Instant Offices as a licensing arrangement, under which Instant Offices was given the right to use the easyOffice trade mark to promote its advertising of serviced office space, in return for which easyGroup received a royalty or commission. There was, however, no licence agreement in evidence, nor indeed any other contemporaneous record of the nature or terms of the agreement between easyGroup and Instant Offices, and no easyGroup witness was able to give any evidence as to the terms of the arrangement with Instant Offices.

118. Nor was there any clear and consistent evidence as to how the partnership with Instant Offices worked in practice, in terms of the customer booking experience. The best evidence was that of Mr Richardson, who said that Instant Offices had provided the booking engine for serviced office space through its sub-site book.easyoffice.co.uk, and that he had provided Instant Offices with an easyOffice logo which “sat upon” the Instant Offices booking engine.

119. Neither Sir Stelios nor Mr Richardson was able to give any evidence as to how bookings were made by customers, or how (if at all) the easyOffice mark was used to identify easyOffice as the source of any services in the booking process. The only evidence that shed any light on this was historic screenshots of webpages from

the book.easyoffice.co.uk site, taken from the Internet Archive. Those showed that the webpages on which the easyOffice logo was placed did not allow bookings by customers. Rather, customers could only request a viewing of office sites returned by the booking engine, or call a telephone number that was operated by Instant Offices, not easyOffice.

120. As to the revenue earned by easyOffice through the Instant Offices arrangement, easyGroup relied on a document headed “Partner statement for easyOffice” which showed commission amounting to a total of £22,783.28 from bookings in 2014, £8,782.94 in 2015, £400 in 2016, £663.08 in 2017 and £1,115.59 in 2018. There was, however, no evidence as to where this document came from or how it was prepared, including the sources of information regarding the customer bookings set out in the document. Moreover, there were problems with the interpretation and accuracy of the figures, such as the existence of numerous identical entries which appeared on their face to be (at least potentially) duplicates. Furthermore, a different record of the commission obtained through the Instant Offices partnership was set out in a spreadsheet created by Kerry Robinson (the easyGroup financial controller) dated January 2020 which showed total net income of £15,087.61 for the period from April 2014 to May 2019. The details given in this spreadsheet were, however, even more scant than for the “Partner statement”: the figures were simply total monthly figures, without any explanation of the underlying sources of information.
121. Having noted that it would not have been difficult for easyGroup to produce better evidence, such as evidence from Mr Smith or Ms Robinson, the judge concluded:

“282. [Counsel for easyGroup] accepted that there was no witness who could interpret the evidence, but submitted that I should treat the material as a ‘mosaic’ and look it as a whole, rather than dismissing particular aspects of the evidence for lack of supporting documentation. It is of course necessary to consider all of the available evidence together. But that does not mean that gaping holes can be filled with pure speculation. In the present case there is no solid and objective evidence at all of the nature of the use of the trade mark or the extent of the trade generated on the basis of the mark.

283. In those circumstances the evidence cannot justify a conclusion that there was ‘real commercial exploitation’ and thus genuine use of the easyGroup marks between May 2014 and May 2019, having regard to the principles set out in the cases to which I have referred above.”

The appeal

122. The judge’s assessment was in part an exercise in primary fact finding and in part a multi-factorial evaluation. In so far as it was an exercise in primary fact finding, it can only be challenged if the judge’s conclusion is rationally insupportable: see *Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 481 at [2] (Lewison LJ, with whom Males and Snowden LJ agreed). In so far as it was an evaluation, it can only be challenged on the grounds set out in paragraph 88 above. easyGroup challenges the

judge's assessment on a number of grounds which it is convenient to consider in the order set out below.

123. *Application of a de minimis test?* easyGroup contends that the judge wrongly applied a *de minimis* test to the levels of sales and marketing at Croydon and to the commission income (and hence the underlying bookings) from the Instant Offices arrangement.
124. Counsel for easyGroup particularly criticised what the judge said at [256]. I accept that the opening sentence of that paragraph is not well drafted, but that is an understandable slip in a long judgment. I am not persuaded that this demonstrates that the judge was applying the wrong test. It seems to me that when she said that “some retail sales of a product is not itself sufficient to demonstrate genuine use” she meant “not necessarily sufficient”: she had cited the summary of principles including subparagraph (8) in [254], and she went on at [258] to reiterate, by reference to subparagraph (7), that “even minimal use can be sufficient”. Similarly, I do not agree with the judge's summary of the *Reber* case in [256(i)], since what the CJEU held was merely that the GCEU had not erred in law when it concluded that relatively small sales of chocolate from a single shop did not amount to genuine use, but I do not think that this demonstrates that the judge applied the wrong test either.
125. Furthermore, when one considers the judge's reasoning in relation to both Croydon and Instant Offices, it is not driven by the small scale of the transactions involved, although she certainly took that into account, but by the paucity of the evidence of use.
126. *Advertising sufficient?* easyGroup contends that, even if there was insufficient evidence of sales, the judge should have held that the evidence of advertising of the hire of temporary office space, in particular by the easyOffice website, was sufficient to establish genuine use of the Trade Marks. I do not accept this contention. There is no doubt that advertising constitutes use of a trade mark, but it is clear from the case law of the CJEU and the GCEU that advertising alone will rarely be sufficient to constitute genuine use of a trade mark, although it can do in some cases. (In particular, advertising and offers for sale to consumers within the relevant territory may suffice where the goods or services are supplied outside the territory: see Case T-768/20 *Standard International Management LLC v European Union Intellectual Property Office* [EU:T:2022:458] at [33]-[44]). This must be particularly so when the advertising consists solely of a website (even if the website is targeted at the relevant territory). In the present case the judge took such evidence as there was of advertising into account. In the case of the website, however, easyGroup did not adduce any evidence as to the numbers of site visitors (let alone visitors from the UK or EU) or the numbers of page views. In those circumstances the judge cannot be faulted for having given the existence of the website little weight.
127. *Genuine use in relation to Croydon?* easyGroup contends that the judge should have found that there was genuine use of the Trade Marks in relation to the Croydon premises. Although counsel for easyGroup criticised the judge's reasoning in various ways, the only arguable error of principle he identified was the *de minimis* point which I have already considered and rejected. As the judge explained, there was scant evidence of use during the period May 2014 to January 2015, and none thereafter. In

those circumstances she was entitled to conclude that easyGroup had not proved genuine use in relation to Croydon during the relevant period.

128. Counsel for easyGroup suggested that the judge’s approach amounted to penalising easyGroup for the previous success of easyOffice, when it should have counted in easyGroup’s favour, but in my view the judge did no such thing. What she did do was to take into account the fact that easyGroup is an experienced operator which should be well able to prove genuine use of its trade marks, and she was right to do so.
129. *Genuine use in relation to Instant Offices?* easyGroup contends that the judge erred in holding that the service provided by Instant Offices to consumers seeking office space to hire fell outside the specifications of UK528A and EU509. It is evident from the judgment that the judge’s reasoning in relation to Instant Offices’ service was the same as in relation to Nuclei’s service. In my judgment the judge was in error for similar reasons to those given above in relation to Nuclei’s service. I agree with the judge’s interpretation of “hire of temporary office space”, and that neither easyGroup nor Instant Offices provided that service, but I nevertheless consider that easyGroup did use the Trade Marks in relation to that service.
130. In this case the point is illustrated by the home page of the easyOffice website as at 7 August 2013. I reproduce below a screenshot of this which was incorporated into easyGroup’s skeleton argument for the appeal. Although this screenshot post-dates the trial, the image of the website is identical to one which was in evidence at trial. Although 7 August 2013 is before the relevant period, similar images were in evidence from later dates (for example, 15 February 2015), although the Croydon premises no longer featured after some point in 2015.



131. Again, it seems to me that the average consumer seeking office space to hire would consider easyOffice not only to have primary responsibility for the quality of the service provided by easyOffice at Croydon (and Old Street and Wimbledon), but also to have some degree of responsibility for the quality of the service provided by third parties elsewhere. This is so even if consumers became aware at some point during the process of making a booking that they were dealing with Instant Offices and realised that Instant Offices was independent of easyOffice.
132. Counsel for easyGroup also criticised various aspects of the judge’s assessment of the evidence of use in relation to Instant Offices, but again he was unable to identify any error of principle, and I consider that the judge was fully entitled to reach the conclusion she did. The only point which merits specific mention is that the judge did not explicitly consider use in relation to “information, advisory and consultancy services for [rental of offices/rental of office space/hire of temporary office space]”. It is clear from the judgment, however, that the judge appreciated that use of EU376 would fall within that part of the specification; but she found that there was insufficient evidence of use, and so this made no difference. As discussed above, the mere fact that the easyOffice website was in existence, and targeted at the UK, for most of the relevant period is not enough to prove genuine use.
133. *Failure to consider Croydon and Instant Offices together.* Finally, easyGroup contends that the judge wrongly failed to consider the use in relation to Croydon and in relation to Instant Offices together. Although it is true that the judge did not consider the two types of use together, it is plain that her conclusion would have been the same if she had. The fundamental problem with both types of use was the same, namely a lack of evidence.
134. *Conclusion.* I therefore conclude that the judge was entitled to find that easyGroup had failed to prove genuine use of any of the Trade Marks during the relevant period. easyGroup does not dispute that, if that be so, the judge was entitled to revoke the Trade Marks with effect from the respective dates specified in her order.

Lord Justice Nugee:

135. I agree.

Sir Christopher Floyd:

136. I also agree.