

O-006-04
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2287126
BY NG PUI YEE TO REGISTER A TRADE MARK IN CLASSES 18 AND 25

AND

IN THE MATTER OF OPPOSITION No. 90527
BY SWATCH AG (SWATCH SA)

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2287126
by Ng Pui Yee to register a Trade Mark in Classes 18 and 25**

and

**IN THE MATTER OF Opposition No. 90527
by Swatch AG (Swatch SA)**

Background

1. On 1 December 2001 Ng Pui Yee applied to register the following mark:



for specifications of goods in Classes 18 and 25 of the International Classification which read respectively:

- nylon cases, back packs, pouches;
- outer vests of nylon for sportswear; blouses, tee shirts, jackets.

The application is numbered 2287126.

2. On 30 April 2002 Swatch AG (Swatch S.A.) filed notice of opposition to this application. They are the proprietors of the following UK and CTM registrations:

No.	Mark	Class	Specification
1250610 (UK)		18	Bags, cases and harness, all included in Class 18; portfolios (not being stationery), pocket wallets, key holders (cases), whips and saddlery, all of leather or imitation leather; umbrellas, parasols and canes.
1250612 (UK)		25	T-shirts, sweatshirts, coats, anoraks, jumpers, cardigans, gloves, trousers, jeans, hats, caps, headbands, track suits, jogging suits, leg warmers, neckerchiefs, ties, scarves, pyjamas, braces, garters, shawls, ski suits, shorts, swimwear, boxer shorts, socks, vests, underpants, brassieres, camisoles, footwear, all included in Class 25.
226019 (CTM)	SWATCH	14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

3. They say that they have used the trade mark SWATCH extensively in the UK in relation to a wide range of goods including watches, clothing and bags. Thus use has taken place since at least 1990 and it is said that a significant reputation attaches to the SWATCH trade mark.

4. The opponents say that the applied for mark is similar to their SWATCH mark and covers identical and/or similar goods such that there is a likelihood of confusion. Objection is, therefore, taken under Section 5(2)(b).

5. The applicant filed a counterstatement denying the above ground.

6. Both sides filed evidence. Both sides ask for an award of costs in their favour. In accordance with current practice I reviewed the papers and notified the parties that my preliminary view was that the matter could be decided on the basis of the material filed and without recourse to a hearing. The parties were nevertheless reminded of their right to be heard or to offer written

submissions. In the event neither side has asked to be heard. Written submissions have been received from Haseltine Lake, on behalf of the opponents, under cover of their letter of 12 December 2003. Acting on behalf of the Registrar and with the above material in mind I give this decision.

The law and authorities

7. Section 5(2) reads as follows:

“5.-(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

Sub-paragraph (b) applies here.

8. The three registrations relied on by the opponents are all earlier trade marks within the meaning of Section 6(1)(a) of the Act.

9. I take into account the well established guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] RPC 117, and *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77.

The opponents' use

10. The opponents filed a witness statement by Bettina Irene Devereux, the Finance Director and Company Secretary of The Swatch Group UK Ltd, a subsidiary of the opponents which is responsible for the sale, distribution and marketing of SWATCH products in the UK.

11. Ms Devereux says that the SWATCH trade mark has been used extensively, principally in respect of watches, where a significant reputation is claimed, but also in respect of other products including bags and clothing. The following items are exhibited:

- JC1 - a copy of the Swatch International Meeting Spring 1992 “Give-aways/Promotion items” catalogue, The range of products consisted of four t-shirts, duffel bags, caps and an umbrella;

- JC2 - material showing that by Autumn 1992 this range of products included sweatshirts and headbands;
- JC3 to 5 - catalogues for the 1994 and 1995 seasons showing the range of SWATCH merchandise available for those years;
- JC6 - the merchandise catalogue for 2000 showing an expanded range of goods;
- JC7 and 8 - catalogues for 2001 and 2002 (only the first of which is relevant) again showing a range of clothing, bags etc;

12. Ms Devereux concludes her statement by saying that the items have been used by the company's UK marketing team to support sales of SWATCH watches. Additionally members of The Swatch Club in the UK are provided with a list of the branded merchandise which they can order directly from Swatch's International Club in Switzerland.

Distinctive character of the opponents' mark

13. The distinctive character of a mark is a factor to be taken into account. That distinctive character may either be inherent or acquired (*Sabel v Puma*, paragraph 24). The opponents, in their written submissions, contend that SWATCH is possessed of a high level of inherent distinctiveness and that this intrinsic quality has been enhanced through use. Mr Berry, in his evidence for the applicant, notes that SWATCH is a dictionary word but does not consider it to be well known. In his view the public will always associate the word with watches (the opponents' main business) particularly as much of the use that has been shown is in the way of promotional support for this particular trade.

14. As the Dictionary exhibit (DRB1) makes clear SWATCH is a dictionary term meaning a sample of cloth. It is, in my view, neither a particularly common nor a particularly obscure word. It has no obvious significance in the context of the goods at issue. It, therefore, commands a moderately high degree of distinctive character but falls short of qualities that are traditionally associated with truly invented words. I note that there is some slight stylisation to the representation of the word SWATCH in the opponents' UK registrations but not such in my view as to make a material difference to the character of the mark.

15. The opponents' position is not improved by the use that has been shown. Exhibits JC1 to 5 all show use which is said to be "give-aways/promotion items". I infer that all the goods (clothing, bags etc) were intended to be provided in support of the core watch business. There is a gap in the exhibits between 1995 and 2000. Exhibits JC6 and 7 appear to suggest that the opponents have more recently (at least from 2000) developed the non-watch business into an area of trade in its own right. I note, for instance, that much of the material refers to 'price for external use' and that there is a comprehensive merchandise order form.

16. Difficult issues can arise in relation to what is sometimes called 'T-shirt use' – see, for instance Mr Justice Pumfrey's remarks in *Daimler Chrysler AG v Javid Alavi* [2001] RPC 42 at paragraphs 20 to 23. It is a question of fact in each case as to whether use on promotional items

goes to supporting the trade in the underlying goods or gives rise to a trade/goodwill etc in its own right. It is not a matter that I need to reach a final view on here. There has been no attempt to quantify the scale of the opponents' business either in terms of the watch side or the clothing, bags and other items. Without a good deal more in the way of substantiating detail it is simply impossible to draw any conclusions as to acquired reputation sufficient to assess whether SWATCH enjoys the sort of reputation that is referred to in the following passage from the Appointed Person's decision in *DUONEBS Trade Mark O/048/01*:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

The character of the applicant's mark

17. The parties have engaged in a lively debate as to the meaning that will be attributed to the applicant's mark. Material exhibited to Mr Berry's evidence (DRB 1 and 2) indicates that SWAT carries the meaning 'to strike or hit sharply' but also stands for 'Special Weapons and Tactics'. The opponents submit that the latter signification mainly reflects US usage and that SWAT is also an acronym for other things as well. Their principal submission, however, is that all such meanings or associations will be lost in the context of the goods.

18. It is well established that marks must not be considered in a vacuum. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance in Case T-79/00 *Rewe Zentral v OHIM (LITE)*). Strictly the applied for mark is more than the word SWAT. It is that word in white lettering set against a black rectangular background. However, I have little doubt that the parties are right to focus on the word as being the distinctive element in the mark. Evidence from the applicant explains how he came to adopt the mark (in connection with swatting flies). I am inclined to think that this is in any case the most immediate and likely association that would be made by consumers encountering the mark. It is far less likely in my view that anything other than a minority of consumers will think of other meanings for which SWAT would be an acronym. However, the key point is that the word has no meaning in relation to the goods and is distinctive in that respect in much the same way, and to much the same extent, as SWATCH.

Comparison of marks

19. The visual, aural and conceptual similarities of the marks are to be assessed by reference to the overall impressions created by those marks, bearing in mind their distinctive and dominant components (*Sabel v Puma*, paragraph 23).

20. The opponents have submitted that the respective words are visually similar with the word SWAT contained in its entirety in SWATCH; that the fact that the opponents' mark is presented

in lower case and with variations in type face does not detract from this; that the words have similar sounds with –CH being relatively soft and not heavily intoned in speech; that there is a tendency to slur endings (*TRIPCASTROID* (1925) 42 RPC 264); that consumers will not attribute any strong conceptual meanings to the words SWAT and SWATCH; and that in use in relation to the goods this does not serve as a point of distinction between the marks.

21. Visually it is undeniable that there is a degree of similarity between the marks. That is almost inevitably the case where the first four letters of a six letter word are reproduced in another mark. But, where dictionary words are concerned, it is a somewhat artificial process to treat the visual and conceptual impact of marks as if they give rise to entirely separate considerations. It is true, as the opponents suggest, that the words may have no meaning in relation to the goods but that is a different matter to saying that they would cease to be recognised as words of the language at all. The consumer is unlikely to excise the normal signification of a word from his mind albeit that the process of recognition and understanding is a subliminal one. On that basis it might be said that there ought to be no more difficulty distinguishing between SWAT and SWATCH than, say, ‘mat’ and ‘match’ or ‘that’ and ‘thatch’. But trade mark disputes rarely lend themselves to resolution by analogies of this kind not least because the meaning and significance of words is usually taken from the sentences or phrases in which they are used. That contextual assistance is not available when words stand on their own as trade marks (and in relation to goods for which they have no obvious meaning). Even so, where relatively common words of the language are concerned, consumers can be expected to exercise some ability to distinguish between them. The average consumer is, after all, deemed to be reasonably well informed, circumspect and observant (*Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27). SWAT is, in my view, in its ordinary signification a common word. There is room for argument as to how common or well understood SWATCH is. Those who know the word are highly unlikely to mistake it for SWAT. Others may take it to be a meaningless or invented word. Allowing for that possibility I am still not persuaded that similarity between the marks exists at more than a superficial level.

22. Phonetically both marks are single syllable words. I cannot agree with the opponents that the CH ending will fail to have an impact on the way the mark is pronounced. *Tripcastrord* warns of the tendency to slur the termination of words but in short words of this kind (and a common - TCH ending) this is unlikely to have a material impact. I find the words orally and aurally distinguishable.

Comparison of goods

23. I do not understand the applicant to dispute that there is a direct overlap in terms of the goods.

24. For the record I regard the applicant’s ‘nylon cases, back packs, pouches’ to be identical or closely similar to ‘bags and cases’. So far as Class 25 is concerned ‘outer vests of nylon for sportswear; blouses, tee shirts’ must be identical or similar to ‘T-shirts, sweatshirts’. ‘Jackets’ are likely to be similar to ‘coats’.

Likelihood of confusion

25. The opponents' written submissions ask me to take a number of additional factors into account as part of my global appreciation. I have dealt with issues to do with the distinctiveness of the earlier trade mark above. The other points can be summarised as being:

- the principle of interdependency espoused in *Canon* means that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods;
- circumstances of trade must be taken into account including the fact that the customer may not always be able to inspect the goods; that some of the goods may be low cost items purchased without a high degree of care and attention; that the mark may not always be fully exposed to view; and that clothing and accessories may be purchased as gifts for others;
- words commencing SWAT- are comparatively rare in the English language making words commencing in this way more susceptible to confusion.

26. I accept the *Canon* principle of interdependency must be applied. I accept too that I must have regard to the circumstances of trade and that this will include the possibility of telephone orders and purchases as gifts. The opponents are also no doubt correct to say that many of the goods at issue may not be expensive items, the corollary being that the customer will not pay as much attention as he or she would with a high price item. I also bear in mind that sequential rather than concurrent exposure to the marks is likely to be the norm and hence imperfect recollection must be allowed for.

27. However, my starting point in coming to a global view of the matter is that there is not a high degree of similarity between the marks though I accept there is some. Consumers are unlikely in my view to confuse one mark for the other or to consider one mark to be a derivative or associated mark from the same stable. Furthermore, the marks must be given a fair chance. It is always possible to hypothesise circumstances of trade where one of the marks is partially obscured. But consumers will usually have an opportunity to pick up and inspect the product before making their choice. The *Lloyd Schuhfabrik* guidance suggests that they must be expected to exercise a reasonable (but not the very highest) degree of care. I am also unpersuaded that the comparative rarity of words commencing SWAT- should weigh in the opponents' favour. I can only have regard to the marks before me not the state of dictionaries.

28. Taking all these factors into account I find that the opponents' case is not made out. I can see no likelihood of confusion arising. The opposition fails under Section 5(2)(b).

Costs

29. The applicant has been successful and is entitled to a contribution towards his costs. I order the opponents to pay the applicant the sum of £1200. This sum is to be paid within seven days of

the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of January 2004

**M REYNOLDS
For the Registrar
the Comptroller-General**