

O-022-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2377698
BY KARL STORZ GMBH & CO KG
TO REGISTER THE TRADE MARK**

STORZ
KARL STORZ—VIDEOENDOSKOPIE
IN CLASS 10

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 93360
BY BAUSCH & LOMB INCORPORATED**

BACKGROUND

1) On 10 November 2004, Karl Storz GmbH & Co KG, of Mittelstrasse 8, D-78532 Tuttlingen, Germany applied under the Trade Marks Act 1994 for registration of the following trade mark:



2) In respect of the following goods in Class 10: “Medical instruments and apparatus, in particular surgical apparatus”. An International priority date of 3 June 2004 was claimed relating to use in Germany.

3) On 27 April 2005, Bausch & Lomb Inc. of One Bausch & Lomb Place, Rochester, NY 14604-2701, United States of America filed notice of opposition to the application. The grounds of opposition are in summary:

a) On 26 April 1982 the parties entered into an agreement setting out the terms of each parties’ use and registration of their STORZ marks. The opponent contends that the application breaches this agreement and thus the application therefore offends against Section 3(6) of the Trade Marks Act 1994.

b). The opponent is the proprietor of CTM 3279817 for the mark “STORZ” in a stylised form for goods in classes 5,9 & 10. The mark and goods are identical and/or similar to those of the application. The mark in suit therefore offends against Section 5(2)(b) of the Trade Marks Act 1994.

4) The applicant subsequently filed a counterstatement denying the opponent’s claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 26 November 2007 when the opponent was represented by Mr Bryson of Counsel instructed by Messrs RGC Jenkins & Co. The applicant was represented by Mr Vanhegan of Counsel instructed by Messrs Carpmaels & Ransford.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 13 June 2006, by Jon O Webster, the opponent's Senior Trade Mark Counsel. He states that he has full access to the opponent's records and is authorised to make his statement. He states that in 1997 his company acquired the business of Storz Instrument Company including its trade mark portfolio. He states that in 1982 Storz entered into an agreement with the applicant to delineate each parties' use and registration of "STORZ" marks. This agreement was subject to an addendum in March 1985. At exhibit JOW1 he provides a copy of the agreement and also the addendum. In particular he refers to paragraph 3 of the original agreement. Sub-paragraph (vii) of which sets out that the opponent can use the mark "STORZ" alone in a stylised form, whilst the applicant is restricted to usage as set out in sub-paragraphs (i) to (x). He states that the applicant is not permitted to use the mark STORZ alone. He contends that the dominant element of the mark in suit is the word STORZ. He states that the other words within the mark are subordinate to the dominant element, and that the presence of these other words does not bring the mark within the scope of allowable marks as set out in the agreement between the parties.

APPLICANT'S EVIDENCE

7) The applicant filed two witness statements. The first, dated 29 January 2007, is by Dr Sybill Storz the Managing Director of the applicant company. She states that in 1982 her company entered into an agreement with Storz Instrument Company, later purchased by the opponent. She confirms that the agreement was to "set out the boundaries for each party's [sic] use and registration of trade marks containing the STORZ element (hereinafter referred to as the "STORZ marks"). In 1985, an Addendum was added to the original Agree[ment]." At exhibit SS1 she provides a copy of the agreement and addendum. It is identical to that provided by the opponent and attached to this decision at annex 1.

8) Dr Storz contends:

"3. Paragraph 3 of the 1982 Agreement sets out the limits on each party's use of the STORZ marks. Subparagraphs i) to x) deal with how the Company [the applicant] is allowed to use the STORZ marks. The Agreement clearly states that the company [the applicant] is permitted to use KARL STORZ together with additional trade mark formatives. In this case the company [the applicant] have chosen to add the word VIDEOENDOSKOPIE to their permitted use of KARL STORZ. There is no mention in the agreement of the order in which

these words must appear, or the size that the words must appear relative to each other.

4. Examples are given in subparagraphs i) to x) where the word STORZ appears before other matter, these being STORZ-GERMANY and STORZ ENDOSKOP. There is nothing in the agreement that prevents the Company [the applicant] from using STORZ as a more dominant element of a trade mark providing that the mark as a whole adheres to the 1982 Agreement. Accordingly, the Company's [the applicant] use and registration of STORZ KARL STORZ-VIDEOENDOSKOPIE is well within the perimeters of the 1982 Agreement. Application No. 2377698 very clearly shows that this mark belongs to the Company [the applicant] and not to the Opponent."

9) Dr Storz claims that the opposition breaches paragraph 8 of the 1982 agreement, and asks that the case be struck out as an abuse of process. She claims that the mark in suit is not contrary to the 1982 agreement, and relies upon correspondence between the two parties. She states that on 18 June 1985 Norman Silbertrust, Executive Vice President of Karl Storz Endoscopy, America Inc. a member of the Karl Storz Group, wrote to Robert Blankemeyer the Senior Vice President of the opponent's predecessor in business, to confirm that their new intended logo did not offend against the spirit of the 1982 Agreement. I note that Mr Blankemeyer signed the agreement on behalf of the opponent's predecessor in business. The letter and logo are provided at exhibit SS2. The response of Mr Blankemeyer is provided at exhibit SS3. Dr Storz states that Mr Blankemeyer accepted that the proposed use was within the terms of the agreement and that it would be unjust if, after 20 years of use, the opponent could now prevent further use. The intended logo at exhibit SS2 is as follows:



10) The response from the opponent's predecessor in business does indeed contain the following: "The proposed logo in no way offend the letter or spirit of our Agreement on trademarks." It does state that the writer, Mr Blankemeyer, has

concerns regarding how surgical instruments are to be marked. But otherwise has no objections to the use of the above logo.

11) Dr Storz states that her company is the proprietor of International Trade Mark registration 714808 for the mark:



12) Dr Storz states that the only difference between the registered mark and the application is that the word ENDOSKOPE has been replaced by VIDEOENDOSKOPIE. She states that the opponent did not object to the UK designation of the registered mark and that the above mark has been used in the UK since 1988.

13) The second witness statement, dated 1 February 2007, is by Michael David Perks the General Manager of Karl Storz Endoscopy (UK) Ltd a position he has held since 1998. He states that the mark in suit has been used in the UK since 1998 in relation to “Endoscopic instruments and associated equipment including instruments for Ear Nose and Throat surgery”. At exhibit MDP 1 he provides promotional and printed matter which show use of the mark in suit. He also supplies figures for turnover and advertising in the UK which are as follows:

Year	Turnover £ million	Advertising £
2001	10.4	19,040
2002	14.0	15,433
2003	16.9	18,087
2004	19.4	19,001

14) Mr Perks states that the mark in suit is used on goods supplied to 780 individual hospitals throughout the UK. At exhibit MDP3 he provides examples of advertisements in journals such as *ENT News* and *Urology News*. At exhibit MDP4 he provides lists of exhibitions and workshops in which his company has participated. At exhibit MDP5 he provides a copy of a witness statement, dated 7 March 2001, which he provided to the UK Trade Marks Registry in proceedings, complete with exhibits which shows that the applicant has been using the STORZ element as the dominant component since at least 1998.

OPPONENT'S EVIDENCE IN REPLY

15) The opponent filed a second witness statement by Jon O Webster, dated 2 August 2007. He contends that the mark applied for does not comply with the agreement as he states that paragraph 3 of the agreement states that wherever the word "Storz" is used in a trade mark sense it must be used only as specified in the agreement. He states that the mark applied for does not comply with the agreement. He also comments that the correspondence between the opponent's predecessor in title and the applicant related to another mark entirely. He goes further in suggesting that the correspondence is irrelevant to the instant case and not binding upon his company.

OPPONENT'S ADDITIONAL EVIDENCE

16) The opponent filed a witness statement by Timothy George Pendered, the opponent's Trade Mark Attorney. He provides this in response to the suggestion in the applicant's skeleton argument that evidence had been "suppressed". He rejects this contention, pointing out that the parties have been in dispute in a number of countries. He provides papers which show that the applicant's mark "STORZ KARL STORZ – ENDOSKOPE" was opposed in Israel prior to May 2006. At exhibit TGP1 he also provides copies of the letters between Mr Silbertrust and Mr Blankemeyer from 1985 previously exhibited, but includes a further letter dated 22 July 1985 from the applicant which refers to a mark which contains "Karl Storz" in addition to "Storz Endoscopy". The bundle of correspondence then jumps to February 1989, with a letter from the opponent to the applicant company regarding use of the mark "Storz" alone followed by the words "The World of Endoscopy" on literature and a sign at a trade show. In response, in December 1989, the applicant accepted that the use of the word "Storz" alone was an error and they apologised. They also pointed out that in the other instances complained of, the applicant had used its mark "Storz-Karl Storz- Endoscopy" which, they contended, falls within the agreement. The letter points out that this mark was adopted in 1985 following an exchange of letters with Storz Instruments. No response from the opponent or its predecessor in business is filed.

17) That concludes my review of the evidence. I now turn to the decision.

DECISION

18) There were two preliminary points. The first relating to the filing, by the opponent, of additional evidence. The applicant had no objection to this evidence being allowed into the proceedings, and it is summarised at paragraph 16 above.

19) The applicant also sought to amend its counterstatement as follows:

“2A. Further or in the alternative to paragraph 2, the Applicant will contend that pursuant to the terms of the Agreement, the Opponent has irrevocably consented to the Applicant’s right to apply for a registered trade mark in the form the subject of the current application, within the meaning of section 5(5) of the Trade Marks Act 1994, (“the TMA”).

2B. Further or in the further alternative, the Applicant will contend that the Opponent as a matter of law is estopped from opposing the Application by reason of:

a) entering into the Agreement; and/or

b) consenting to the Applicant’s use of a sign materially the same as the sign the subject of Application on or around 24th June 1985, (as referred to in paragraph 6 of the witness statement of Dr Sybill Storz, dated 29th January 2007).

As a result of performing each or either of the above acts, the Opponent represented to the Applicant that registration of the sign the subject of the Application would not be opposed by the Opponent and/or would not give rise to a likelihood of confusion between it and the Opponent’s marks comprising and/or containing the sign “storz” (as shown in the attached representation). In reliance upon such representations the Applicant has for a long period of time used signs substantially similar to the sign the subject of the Application in relation to its business and has developed a substantial goodwill and reputation therein with the legitimate intention and expectation that the said mark would be registered. Indeed the said sign has been registered with effect from 19th November 2004 in the United States of America under number 3290282, without any opposition from the Opponent.

2C. In the premises of the facts and matter set out in paragraph 2B above, the Opponent has further consented to the registration of the sign the subject of the

Application by the Applicant, and/or is estopped from opposing the said application for registration.

2D. Further or in the further alternative, the Applicant will contend that because of the long period of co-existence of the Applicant's various signs and marks and the Opponent's various signs and marks, (as for example recognised in and by the Agreement), the average consumer for goods the subject of the Application has come to distinguish even relatively small differences between signs for goods within the said classes, such that there will be no likelihood of confusion within the meaning of section 5(2) of the TMA."

20) The issue of whether the opponent's predecessor in business had agreed to the mark in suit being used was raised early on in the evidence rounds. Similarly, the fact that the applicant had provided clear notification of its intention to use the mark now applied for, and the absence of any objection being raised in the intervening years was also exposed in evidence by the applicant and indeed was also shown in the opponent's evidence. For the opponent to suggest that this ground was unknown to them and that they would have put in additional evidence is untenable and the amendment to the counterstatement was allowed.

21) It was agreed at the hearing that both grounds of objection [3(6) & 5(2)(b)] would fail if I found that the mark in suit fell within the 1982 agreement. The agreement is attached as an annexe, but the relevant sections are reproduced below for ease of reference:

"2. The primary purpose of this agreement is to define the ways in which the word "Storz" can be used as a trademark or service mark, or as part of a trademark or a service mark by STORZ INSTRUMENT or by KARL STORZ, such as on their respective goods, on displays associated with their respective goods, in catalogs [sic] and in advertisement [s], as examples of typical trademark and service mark usages. Company names and their usages are not the primary concern of this Agreement, and the word "Storz" can continue to be used as part of the company names of STORZ INSTRUMENT or of KARL STORZ or of any of their distributors presently in existence, including the existing company names, for the purpose of identifying the company. However, it is agreed that, in any company name that includes the word "Storz", only KARL STORZ may use any of the following words: "Endoskop", "endoscope", "endoscopy", the word or formative "endo", or any foreign word or term in any language having the same meaning or a similar meaning to any of the foregoing.

3. With the foregoing in mind, the parties agree that wherever they use the word “Storz” in the trademark or service mark sense, it will be used alone only as specified below, and when used with a formative, only as specified below:

As to STORZ INSTRUMENT:

- i) STORZ-USA
- ii) STORZ INSTRUMENT CO. – St. Louis, MO
- iii) STORZ INSTRUMENT CO. – USA
- iv) STORZ INSTRUMENT – USA
- v) STORZ INSTRUMENT- USA-GmbH
- vi) STORZ-STORZ Block Logo Design as shown in Exhibit A hereto
- vii) STORZ in stylised letter form as in U.S. Reg. No. 623,625 (Karl Storz GmbH & Co. agrees not to use the stylised letter form as in U.S. Reg. No. 623,625)

As to KARL STORZ:

- i) KARL STORZ GERMANY
- ii) STORZ-GERMANY
- iii) KARL STORZ
- iv) KARL STORZ USA
- v) KARL STORZ ENDOSCOPY- AMERICA
- vi) KARL STORZ - ENDOSCOPY
- vii) STORZ ENDOSKOP
- viii) KARL STORZ ENDOSKOP
- ix) K S STORZ
- x) The initial “K” may be substituted for “KARL” in any of the foregoing.

As to both parties, they may supplement any of the above examples with additional trademark formatives, whether by way of letters, numbers, words, syllable[s] or designs.”

22) The opponent based its claim on the issue of the above paragraph providing a definitive list of ways that each of the parties could use the word “Storz”. However, whilst at the beginning of paragraph 3 the agreement states that “..the word “Storz” in the trademark or service mark sense, it will be used alone only as specified

below,..”, later in the paragraph, underneath the various specified ways of using the mark it refers to them as “the above examples”. In paragraph 2 the agreement also refers to “examples”. To my mind, there is some ambiguity as to whether the agreement provides guidance or absolutes in the use of the word “Storz”.

23) In considering this issue I look to the views of Mr Kitchen (as he was then) when he acted as the Appointed Person in the case of *Fenchurch Environmental Group Ltd v Ad Tech Holdings Ltd* [O/236/05] where at paragraph 15 he said:

“It is now well established that the proper approach to contractual interpretation is to seek to ascertain the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract.”

24) In my view, the agreement states that the word “Storz” can be used as part of the company name. and it also provides guidance as to how the word can be used as part of a trade mark. Broadly, for the applicant company, these equate to using the letter “K” or the words “Karl”, “Germany” and “Endoscope”, the latter having a number of different spellings. Whereas, in essence, the opponent’s use was to include “St. Louis Mo”, “USA” or “Instrument”, or be in a particular stylised form. These distinctions would seem to be based on the obvious differences which can loosely be said to be, the applicant being a German company dealing mostly in endoscopes and medical instruments, and the opponent being American dealing mostly in surgical instruments.

25) The applicant contended that, even within the opponent’s view of the agreement, it was using two of the specified instances (iii & vii) and placing them together. It was also contended that the amalgamation of these two specified marks was within the overall spirit of the agreement in that it contained two of the differentiators “Karl” and “Endoscopy” although the latter had been amended, as is allowed in the agreement, to “Videoendoskopie”.

26) A great deal of emphasis was placed upon the letter from Mr Blankemeyer stating that the mark as set out in paragraph 9 was acceptable. This mark is clearly a variation to that set out at number (vii) in the agreement. The word “Storz” is highly stylised and also much more prominent than the word “Endoskopie”, itself an agreed variation on “Endoscope”. It is quite easy to imagine that this mark can be produced such that the word “Endoskopie” is so small as to be almost invisible whilst the word “Storz” would remain highly prominent. Yet Mr Blankemeyer seems quite content

for this mark to be used, his only query relating to exact use on instruments and in particular surgical instruments.

27) I therefore conclude that the mark in suit is within the bounds of the agreement as it meets the overall guidance and spirit of the agreement, despite not being use as set out in the specific examples provided. A consequence of this decision is that the grounds of opposition under Sections 3(6) and 5(2)(b) must fail.

28) However, in case I am wrong with regard to the agreement I will go on to consider the applicant's claim of consent which is raised under Section 5(5) of the Trade Marks Act 1994 and which reads:

“5. (5) Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.”

29) The applicant contends that the response received from Mr Blankemeyer in June 1985 can be considered to be consent to use the mark in suit. The mark that Mr Blankemeyer responded to was significantly different to the mark in suit as it did not contain the words “Karl Storz”. However, it is clear from the opponent's additional evidence that the applicant sent a further letter in July 1985 which was obviously received by the opponent's predecessors in business. That they received it is not in doubt since they filed it as part of their evidence and did not dispute that it had been received. This letter refers to a mark which includes the words “Karl Storz” in addition to the words “Storz Endoscopy”. The absence of any response from Mr Blankemeyer was taken as consent by the applicant.

30) Following a letter of complaint from Storz Instruments in 1989 the applicant apologised for using “Storz: The world of endoscopy”, even though it would have been arguable that this met the spirit of the agreement, but went on to state that it did not accept that its use of the mark in suit was outwith the 1982 agreement. In this response the applicant pointed out that it had been using the mark in suit since 1985 (although UK use began in 1988) following the exchange of letters with Mr Blankemeyer. Again, the opponent's predecessor in business did not respond to this clear statement that the applicant was using a trade mark which was not one of those specified in the agreement but one which the applicant believed was acceptable under the agreement. The opponent has had ample opportunity to rebut this claim by, for example, filing letters from its predecessor in business, or by itself, following the acquisition in 1995, objecting to the use of the mark in suit.

31) It seems to me quite clear from the evidence filed by both parties that the mark in suit has been in use in the UK since 1988 and that the opponent and/or its predecessors in business were aware from 1985 of the applicant's intention to use the mark worldwide. It is clear that they were aware of such use in the USA in 1988/89. To my mind the opponent, and/or its predecessors in business have been aware of the applicant's use of the mark in suit in the UK for seventeen years and have not sought to prevent their use, or even to raise it with the applicant until the instant case.

32) In the circumstances I am prepared to accept the applicant's contention that the acceptance of the stylised version of the word "Storz" by Mr Blankemeyer and the silence of the opponent's predecessor in business to the letters of July 1985 and December 1989 amounted to consent.

COSTS

33) As the applicant was successful it is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £2,500. This sum 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 29th day of January 2008

**George W Salthouse
For the Registrar,
the Comptroller-General**

Annex to STORZ

Trade Marks Act 1994

IN THE
MATTER OF
trade mark
application
No. 2377698
of Karl Storz
GmbH & Co. KG

-and-

Opposition No.
93360 by
B a u s c h &
L o m b
Incorporated

Exhibit

This is Exhibit JOW1 referred to in
13 June 2006 by Jon O Webster.

the Witness Statement of

A G R E E M E N T

THIS AGREEMENT between Storz Instrument Company, a corporation of the State of Missouri and having its principal place of business at 3365 Tree Court Industrial Boulevard, St. Louis Missouri 63122 (hereinafter "STORZ INSTRUMENT"), and Karl Storz GmbH & Co., a corporation of the federal Republic of-Germany and having its principal place of business at Mittelstrasse 8, Postfach 4752. D-7200 Tuttlingen, Germany (hereinafter "KARL STORZ").

WITNESSETH THAT:

WHEREAS STORZ INSTRUMENT is the owner of: (1) German Registration 809,015 for the trademark "STORZ" in a stylized form, which was registered on August 31, 1965 for certain surgical instruments and accessories in International Classes 9 and 10; (2) United States Registration 623,625 for the trademark "STORZ" in a stylized form. which was registered on March 20, 1956 for a number of medical and surgical instruments and accessories in International Classes 9 and 10; and (3) United States Registration 1,156,220 for the trademark "STORZ-STORZ" Block Logo Design, which was registered on June 2, 1981 for a number of medical and surgical instruments and accessories in International Classes 9, 10 and 15; and

WHEREAS STORZ INSTRUMENT has filed applications to register trademarks and servicemarks in a number of countries throughout the world; and

WHEREAS STORZ INSTRUMENT is currently marketing its products and services under the above-identified trademarks and servicemarks in numerous countries throughout the world and desires to continue to do so and also desires to register and use those trademarks and servicemarks in all countries of the world; and

WHEREAS KARL STORZ has filed application St 12 189/10Wz to register the trademark "KARL STORZ" in Germany, such application being filed on February 15, 1980 for surgical, medical and veterinary instruments and apparatus in International Class 10;

and

WHEREAS KARL STORZ has further obtained International Trademark registration 451,893 for the trademark "KARL STORZ" in certain countries of the world, including most European countries, and has also filed additional applications for registration for such mark in other countries, including the United States (application Serial No. 274,168, filed on August 13, 1980): and

WHEREAS KARL STORZ is currently marketing its products and services under the above-identified trademarks and service

marks in various countries of the world and desires to continue to do so and also desires to register and use said trademarks and service marks in such countries; and

WHEREAS STORZ INSTRUMENT has filed an opposition proceeding in Germany against the above-identified German application of KARL STORZ, and no final decision has been rendered to date; and

WHEREAS the parties hereto wish to resolve the differences between them as to the registration and use of their respective marks in all countries of the world, and to settle the above-identified opposition proceeding;

NOW, THEREFORE, for the reasons and considerations above stated, the parties hereto agree as follows:

1. In addition to marks which include or consist of the word "Storz", both STORZ INSTRUMENT and KARL STORZ have used, and are using, other trademarks and service marks, and may in the future use additional other trademarks and service marks that do not include or consist of the word "Storz". Such other marks are not the concern of this Agreement, and nothing herein affects the respective rights of STORZ INSTRUMENT or KARL STORZ therein.

2. The primary purpose of this Agreement is to define the ways in which the word "Storz" can be used as a trademark

or service mark, or as part of a trademark or a service mark by STORZ INSTRUMENT or by KARL STORZ, such as on their respective goods, on displays associated with their respective goods, in catalogs and in advertisement, as examples of typical trademark and service mark usages. Company names and their usages are not the primary concern of this Agreement, and the word "Storz" can continue to be used as part of the company names of STORZ INSTRUMENT or of KARL STORZ or of any of their distributors presently in existence, including the existing company names, for the purpose of identifying the company. However, it is agreed that, in any company name that includes the word "Storz", only KARL STORZ may use any of the following words: "Endoskop", "endoscope" "endoscopy", the word or formative "endo", or any foreign word or term in, any language having the same meaning or a similar meaning to any of the foregoing.

3. With the foregoing in mind, the parties agree that wherever they use the word "Storz" in the trademark or service mark sense, it will be used alone only as specified below, and when used with a formative, only as specified below:

As. to STORZ INSTRUMENT:

- i) STORZ-USA
- ii) STORZ INSTRUMENT CO. - St. Louis, MO
- iii) STORZ INSTRUMENT CO. - USA
- iv) STORZ INSTRUMENT - USA
- v) STORZ INSTRUMENT - USA - GmbH

- vi) STORZ-STORZ Block Logo Design as shown in Exhibit A hereto
- vii) STORZ in stylized letter form as in U.S. Reg. No. 623,625 (Karl Storz GmbH & Co. agrees not to use the stylized letter form as in U.S. Reg.. No. 623,625)

As to KARL STORZ:

- i) KARL STORZ GERMANY
- ii) STORZ-GERMANY
- iii) KARL STORZ
- iv) KARL STORZ USA
- v) KARL STORZ ENDOSCOPY-AMERICA
- vi) KARL STORZ-ENDOSCOPY
- vii) STORZ ENDOSKOP
- viii) KARL STORZ ENDOSKOP
- ix) KS STORZ
- x) The initial "K" may be substituted for 'KARL' in any of the foregoing

As to both parties, they may supplement any of the above examples with additional trademark formatives, whether by way of letters, numbers, words, syllable, or designs.

STORZ INSTRUMENT will not object to the use of KS alone or as a formative with other material as a trademark or service mark by KARL STORZ.

4. It is the intention of both parties that this settlement between them shall be worldwide in scope, and shall result in respective tradename, trademark and service mark

positions which will properly be enforceable not only as between the parties, but also against all other entities. Nothing herein shall be construed to constitute any limitation on the right or power of either party to sue any other person or entity for infringement on its rights, or to prevent registration" by any other party of the same or of confusingly

similar marks or names. Persons or entities dealing in goods of the respective parties', may use names and marks in accordance with the terms of 'this Agreement in selling the goods and rendering the services of the respective party. Both parties agree to use their best efforts to cause persons under their control and direction to use the names and marks that are the subject of' this Agreement only as specified herein.

5. It is acknowledged that both parties have substantial inventories of goods, catalogs, and the like, which bear marks that may not be in compliance with the terms of this Agreement. Also, publications may have been arranged for, which cannot as a practical matter be terminated immediately. It the object of this Agreement that both parties continue in their respective businesses with maximum dignity and convenience, while diligently changing their tradename, trademark and service mark practices to comply with this Agreement. Neither party shall be required to destroy products, packaging, or advertising which has been manufactured or otherwise prepared

in good faith before or during the course of changing its

practices. However, the parties agree that about two years should be sufficient for the purpose, and that it would be an unusual and isolated situation that called for non-complying use beyond that time, except for repaired instruments.

6. STORZ INSTRUMENT agrees to withdraw the opposition filed against German application St 12 189/10Wz for the trademark "KARL STORZ".

7. STORZ INSTRUMENT agrees not to attack or contest in anyway the trademark to be registered on the basis of German application St 12 189/10Wz (also not because of lacking use). STORZ INSTRUMENT also agrees not to assist any third parties in any contests or attacks of any kind against such mark.

8. STORZ INSTRUMENT agrees not to raise any objections in any manner if KARL STORZ uses any of the marks specified for its use in paragraph 3, above, in any country of the world or applies for registration of any of such marks in any country of the world. STORZ INSTRUMENT also agrees not to assist any third parties in any attacks or contests of any kind against use or registration of any of such marks in any country.

9. KARL STORZ agrees not to contest or attack in any way any of the currently registered trademarks or any of the above-identified pending applications of STORZ INSTRUMENT in any country. KARL STORZ also agrees not to assist any third parties

in any contests or attacks of any kind against any of such marks and applications.

10. KARL STORZ agrees not to raise any objection in any manner if STORZ INSTRUMENT uses any of the marks specified for its use in paragraph 3, above, in any country, or applies for registration of any of such marks in any country of the world. KARLSTORZ also agrees not to assist any third parties in any attacks or contests of any kind against use or registration of any of such marks in any country of the world.

11. Both parties will take all reasonable steps in all countries to avoid any likelihood of confusion between their respective marks and goods. This will be done, for example, by the agreed upon use of the tradenames and marks set forth in paragraph 3 above, and also by maintaining distinct differences in the packaging, trade dress, labeling, color, advertising and promotion of the parties' respective marks and products. If any instances of confusion are found to exist, the parties will take whatever reasonable steps are appropriate in an attempt to resolve the problem.

12. This Agreement shall be binding upon and inure to

the benefit of affiliates and subsidiaries of the parties and their successors.

Dated: _____ STORZ INSTRUMENT COMPANY
Signed: St. Louis, Missouri,
U.S.A. By _____

Witnessed: _____ Title: _____

_____ **VP** _____ **R**

Dated: _____ KARL STORZ GmbH & Co.

Signed: Tuttlingen,
W. Germany

By _____
Title: _____

Witnessed: _____

O-022-08