

O-034-11

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 2514393
BY ACAL ENERGY LTD

AND

OPPOSITION THERETO UNDER NO 99462
BY SAFT LTD

TRADE MARKS ACT 1994

IN THE MATTER OF an application
under No 2514393 by ACAL Energy Ltd
and opposition thereto under
No 99462 by Saft Ltd

Background

1. Application No. 2514393 is for the mark ACAL and stands in the name of ACAL Energy Ltd ("ACAL"). It has an application date of 23 April 2009. Registration is sought in respect of the following goods:

Fuel cells; power supplies; electrochemical power generators; power supplies and fuel cells for electronic hardware; power supplies and fuel cells for vehicles.

2. Following publication of the mark in the *Trade Marks Journal*, Notice of Opposition was filed on behalf of Saft Ltd ("Saft"). The opposition was based on the following grounds:

- Under section 5(2)(b) based on Saft's earlier mark ALCAD registered under No 896337 and insofar as it is registered for 'electric storage batteries';
- Under section 5(4)(a) based on use since 1970 of the mark ALCAD on 'batteries'

3. ACAL filed a counterstatement in which, essentially, it denied each of the grounds of opposition.

4. Both parties filed evidence. Neither party requested to be heard, however, Saft filed written submissions in lieu of attendance at a hearing. In those submissions, Saft withdrew its ground of opposition based on section 5(4)(a) of the Act. The opposition is therefore based on a single ground of opposition under section 5(2)(b) of the Act. I shall refer to the submission as and when required in my decision.

The evidence

5. Witness statements were filed on behalf of Saft by Hans-Erik Lennart Johnsson, Julie Patricia Hall, Eliska Rakova and John Taylor. ACAL's evidence takes the form of a witness statement by Amanda Lyne. Evidence in reply on behalf of Saft was filed by Peter John Charlton.

6. I do not intend to summarise the evidence but have considered it fully in reaching my decision and will refer to it as I consider necessary in this decision.

The objection under section 5(2)(b) of the Act

7. Section 5(2)(b) of the Act states:

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

- (a) ...
- (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.

8. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b)
- (c)

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

9. In these proceedings, Saft is relying on trade mark No. 896337. This mark has an application date of 24 June 1966 which is prior to that of the application for registration and so qualifies as an earlier trade mark under the above provisions. The application for registration was published for opposition purposes on 29 May 2009. As the earlier mark was registered on 16 September 1980 which is more than five years before the publication date of the mark for which registration has been applied, the provisions of section 6A of The Trade Marks (Proof of Use, etc) Regulations 2004 are relevant. This states:

“6A (1) This section applies where-

- (a) an application for registration of a trade mark has been published,

- (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has 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, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7)....”

10. Also of relevance is section 100 of the Act which states:

“**100.** If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

11. I go on to consider whether genuine use has been shown of the mark relied on by Saft. In doing so, I take into account that the relevant period is the five year period

ending with the date of publication of ACAL's application, i.e. 30 May 2004 to 29 May 2009.

12. The guiding principles to be applied in determining whether there has been genuine use of a mark are set out in *Ansul BV v Ajax Brandbeveiliging BV* [2003]RPC 40 and *Laboratoire de la Mer Trade Mark* [2006] FSR 5. From these cases it is clear that:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

13. I must also keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, in relation to determining what constitutes a fair specification, namely:

“Pumfrey J in *Decon* suggested that the court’s task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view the task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use”.

14. In *Animal Trade Mark* [2004] FSR 19, Jacob J held:

“The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernickety way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor blades imported from Venezuela (Mr T.A. Blanco White’s brilliant and memorable example of a narrow specification) “three-holed razor blades imported from Venezuela” is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say “razor blades” or just “razors”. Thus the “fair description” is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection (“the umbra”) for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods (“the penumbra”). A lot depends on the nature of the goods—are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

15. Saft’s evidence has not been challenged by ACAL. Mr Taylor explains that Saft is one of thirty five subsidiary companies of Saft Groupe SA, a French, financial holding company. Alcad AB and Saft Ferak AS are sister companies of Saft and are authorised by it to use the earlier mark in the UK and in relation to electric storage batteries which are used in the event of power failures as emergency standby power supplies in the power sector and in the industrial and transport sectors, e.g. for railway, aviation, scientific and defence uses. Both companies have made sales under the mark in the UK. Turnover figures under the mark and which cover the relevant period are given by the sister companies as follows:

Year	Alcad AB	Saft Ferak AS	Total
2004	£2,483,506	£1,212,000	£3,695,506
2005	£2,494,437	£694,365	£3,188,802
2006	£3,692,852	£1,008,620	£4,701,472
2007	£2,372,820	£977,815	£3,350,635
2008	£2,248,284	£1,063,535	£3,311,819

16. Promotion of the mark has taken place in a number of ways:

- by the publication of various brochures distributed by the companies;
- through presentations to customers;
- via news articles written by third parties and later placed on the ALCAD.com website;
- articles in various technical publications; and
- via attendance at various exhibitions within the UK.

17. All of these promotional activities have taken place within the relevant period and, at exhibit HELJ 3 to Mr Johnsonn's witness statements are copies of the relevant documentation.

18. Invoices showing sales under the mark of a variety of batteries within the relevant period, are exhibited at HELJ7 to Mr Johnsonn's witness statement and ER1 to Ms Rakova's witness statement. They show a variety of batteries such as single cell and block batteries available in different sizes with some costing many hundreds of pounds and others significantly less. The invoices show sales to a variety of businesses. These include to electrical distributors, nuclear and other power stations, railway companies, switchgear companies, telephone companies and supermarkets amongst others. HELJ2 shows the mark to have been used in relation to long, medium and high rate performance batteries.

19. On the basis of the evidence filed, I am satisfied that Saft has proved use of its mark within the relevant period. Whilst Saft claim to have used the mark in relation to electric storage batteries without any further limitation, the evidence shows that its batteries are intended for and used by a diverse range of users. Those users include business users in such areas as the power sector and the transport, and defence industries. Taking all the evidence into account, in my view, a fair description of goods on which that use has been made is 'batteries for use in industry'. It is on this basis that I go on to consider the matter under section 5(2)(b).

20. In determining the question under Section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello). As cited with approval in *Och-Ziff Management Europe Ltd and Oz Management LP v Och Capital LLP, Union Investment Management Ltd and Ochoki* [2010] EWCH 2599 (Ch) it is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;
- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

21. In essence, the test under Section 5(2)(b) is whether there are similarities in marks and goods which, when taking into account all the surrounding circumstances, would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address factors such as the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements and taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed.

Comparison of goods

22. The goods to be compared are as follows:

Saft's goods	ACAL's goods
Batteries for use in industry	Fuel cells; power supplies; electrochemical power generators; power supplies and fuel cells for electronic hardware; power supplies and fuel cells for vehicles

In its Form TM7, Saft submit that “fuel cells, power supplies and power generators are all directly equivalent to electric batteries”. It submits that batteries “either are ‘cells’ or contain cells and are directly equivalent to fuel cells”. ACAL makes no comment on the similarity or otherwise of the goods. A *battery* is a container which consists of one or more cells which are connected and in which chemical energy is converted into electricity and stored for use as a source of power. *Fuel cells* convert a fuel into electrical energy for use as a source of power though does not store that energy. I consider batteries and *fuel cells* to be highly similar, if not identical goods. *Power supplies and electrochemical power generators* are terms which include *batteries* and thus identical goods are involved. *Power supplies for electronic hardware* and *power supplies for vehicles* are sub-sets of *power supplies* which I have already found to be identical to the goods of the earlier mark and thus are also identical goods (see *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks & Designs)(OHIM) Case T-133/05*). Similarly, *fuel cells for electronic hardware* and *fuel cells for vehicles* are sub-sets of *fuel cells* which I have already found to be highly similar if not identical to the goods of the earlier mark.

The average consumer and the nature of the purchasing process

23. Each of the respective goods is a power source which may be used for a variety of applications. The average consumer is likely to be a professional within a particular trade or industry though I do not rule out the fact that some of the goods may be bought by a member of the general public e.g. seeking to buy a fuel cell for his vehicle. Whilst the goods are in common use, they are not an everyday purchase and are likely to be a relatively expensive purchase from specialist suppliers. The nature of the goods is such that they will be bought for specific purposes with the purchaser taking a good degree of care to ensure that the product is of e.g. a type, size and energy output compatible with or suitable for that particular purpose.

Comparison of Marks

24. The marks to be compared are:

Soft's earlier mark	ACAL's mark
ALCAD	ACAL

25. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). I have to consider the visual, aural and conceptual similarities of the respective marks with reference to the overall impressions created by the marks and bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*). The average consumer, who rarely has the chance to make a direct comparison between marks but must instead rely upon the imperfect picture of them he has kept in his mind, is deemed to be reasonably well informed and reasonably circumspect and observant (*Lloyd Schuhfabrik Meyer & Co GmbH*).

26. The marks consist of five and four letters respectively. Both marks begin with the letter A and contain the letters CA, in that order, within them. The earlier mark ends in the letter D whilst ACAL's mark ends in the letter L, a letter which is the second letter within the earlier mark. Both marks consist of two syllables. The earlier mark will be pronounced 'al-kad' whilst ACAL's mark, I believe, is likely to be pronounced 'a-kal' (though I do not rule out that some may pronounce it as 'ack-al').

27. There is no dispute that both marks are invented words. ACAL submit that the letters CAD within the earlier mark are an abbreviation for cadmium, an element used in some batteries. Soft deny this saying that the abbreviation for cadmium is Cd. Whilst I accept that the chemical symbol for cadmium is Cd, it may be that some people who know of the use of cadmium in some batteries will, when seeing the letters CAD in relation to these goods, bring cadmium to mind. The earlier mark is, however, ALCAD and I do not consider that the letters CAD stand out in any way within the mark so that they become a separate element. In my view, the mark has no dominant or distinctive elements but rather its distinctiveness lies in its totality. The mark applied for, ACAL, is not, as far as I am aware, a known word (it is said to have been coined from the initials of the two people involved in its development). Again, I do not consider the mark to have any dominant or distinctive elements: the distinctiveness rests in the totality of the mark.

28. As both marks begin with the same letter and there is commonality of the letters CA, in that order, within them, there is a degree of visual similarity between them. But given that the marks end in different letters and the relative positions of the letter L in each mark, there are also clear visual differences.

29. Aurally, as I indicated above, the earlier mark will be articulated as al-kad whereas the mark applied for will be articulated as a-kal (or ack-al). Whilst there is some similarity between the marks from an aural perspective and more specifically from the commonality of the 'ka' sound in the middle of each mark, the degree of similarity is modest when considering the marks as wholes.

30. Whilst the earlier mark does contain the letters CAD which, for some, may bring to mind cadmium, an element used in some batteries, I do not consider the mark as a whole will bring any specific image to mind. As I indicated above, both marks are invented words. As such, the position from the conceptual perspective is neutral.

Likelihood of confusion

31. In reaching a decision on whether there is a likelihood of confusion, I must make a global assessment based on all relevant factors. The decision of the General Court in *New Look Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* Joined cases T-117/03 to T-119/03 and T-171/03, indicates that the circumstances in which the relevant goods and the marks are encountered by the consumer, particularly at the point at which the purchase is made, is an important consideration. But I also have to make an assessment of all relevant factors and take into account the fact that the consumer will rarely have an opportunity to compare marks side by side but will instead rely on the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* paragraph 27).

32. Another factor to be taken into account is the distinctive character of the earlier trade mark having regard to its inherent characteristics and the reputation it enjoys with the public. Mr Johnsson's evidence states that the mark has been used on batteries in the UK consistently since 1966. Whilst I do not have total sales figures for the goods sold and have not been provided with an indication of the size of the market in batteries (which is likely to be immense) nor any evidence from the trade or public, the turnover figures provided in paragraph 15 above, show at least a modest trade under the mark in recent years and I have no doubt that the distinctive character of the earlier mark, which is inherently high, has been enhanced through its use.

33. In summary, I have found that the marks have some visual similarities but I have also found that they have clear visual differences. I have found there to be a modest degree of aural similarity. As both marks are invented words, neither has any conceptual hook for the purchaser which may lead to the effects of imperfect recollection being increased. I have found that the earlier mark has a high level of inherent distinctive character which has been enhanced through use. I have also found that the goods are relatively specialised one for which the purchasing process will involve a good degree of care. Taking all matters into account and having applied the global approach, as I am required to do, I find that the differences between the marks outweigh the similarities such that there is no likelihood of either direct or indirect confusion. That being the case, the opposition fails in its entirety.

Costs

34. ACAL having been successful is entitled to an award of costs in its favour. I take note that no hearing took place, that minimal evidence was filed by ACAL and that it did not file written submissions in lieu of attendance at a hearing. Whilst the objection under section 5(4)(a) was withdrawn only with the filing of the written submissions by Saft, I do not consider that ACAL will have been put to any unnecessary expense or inconvenience, particularly in view of the proof of use requirements applicable to the

objection under section 5(2) of the Act and taking into account the minimal nature of the evidence ACAL itself filed. Taking all matters into account, I make the award on the following basis:

For reviewing Notice of Opposition and filing a counterstatement	£300
For filing and reviewing evidence	£300
Total	£600

35. I order Saft Limited to pay ACAL Energy Limited the sum of £600 as a contribution towards its costs. 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 the case should any appeal against this decision be unsuccessful.

Dated this 03 day of February 2011

**Ann Corbett
For the Registrar
The Comptroller-General**