

O-089-05

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2313075
BY RAPID RACKING LIMITED
TO REGISTER THE TRADE MARK
RAPID OFFICE
IN CLASSES 6, 7, 8 12, 16, 19, 20, 21 & 37
AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 91868
BY ISABERG RAPID AB AND ISABERG AB

BACKGROUND

1) On 12 October 2002, Rapid Racking Limited of Kemble Business Park, Kemble, Cirencester, Gloucestershire, GL7 6BQ applied under the Trade Marks Act 1994 for registration of the following trade mark:

RAPID OFFICE

2) Registration was sought in respect of the following goods and services:

In Class 6: “Ladders, step ladders, mobile steps, mobile ladders, kick steps, folding ladders; cabinets, lockers; dividers; racks; safes; partitioning of mesh; all of the aforesaid of metal; metal racks and shelving for lever arch files and holders; metal storage units for paper; metal shelving made of wire mesh panels for sorting the incoming mail; parts and fittings for the aforesaid goods.”

In Class 7: “Expanding conveyors, mobile conveyors, mobile lift tables, lift tables, parts and fittings for the aforesaid goods.”

In Class 8: “Hand tools for use in packaging; cutters.”

In Class 12: “Trolleys; pallet trucks; platform trucks; delivery trucks; sack trucks; wheeled cages; trolleys for moving heavy goods; parts and fittings for the aforesaid goods.”

In Class 16: “Lever arch files; cardboard storage boxes; card, cardboard and paper boxes; adhesive packaging tapes; air bubble plastics for packaging; articles of paper and cardboard for use in packaging; polystyrene and clear film for packaging, parts and fittings for the aforesaid goods.”

In Class 19: “Flooring.”

In Class 20: “Office furniture; racking, shelving, frames, display units, storage units; cupboards, cabinets and lockers; filing cabinets; magazine storage towers; work benches; work stations; computer work stations; saw horses; work stations adapted for packing goods; divider racks; office cupboards; office chairs; office desks; folding chairs; storage baskets; garment rails; hanger rails; partitioning of mesh; parts and fittings for the aforesaid goods.”

In Class 21: “Plastic stacking bins; plastic containers, boxes, parts and fittings for the aforesaid goods.”

In Class 37: “Installation, maintenance and repair services; but not including the installation, maintenance and repair of motor vehicles; erection of racking for building purposes.”

3) On 1 August 2003 Isaberg Rapid AB & Isaberg AB of Metallgatan 5 & 15, Box 115, S-33027 Hestra, Sweden filed notice of opposition, subsequently amended, to the application. The amended grounds of opposition are in summary:

a) The opponents are the proprietors of the following trade marks:

Mark	Number	Effective Date	Class	Specification
	CTM 231464	01.04.96 pending	7	Powerdriven hand tools, in the form of stapling pliers, cable tackers, stapling guns, stapling presses, stapling hammers and staples therefore, staple removers.
			8	Hand tools in the form of stapling pliers, cable tackers, stapling guns, stapling presses, stapling hammers and staples therefor, staple removers.
			16	Stapling machines and tacking machines (office requisites), staplers, stapling pliers, staples, staple removers, punchers.
RAPID-VU	UK 1234915	02.02.85	16	Folders, holders, pockets and wallets, all included in Class 16 and for displaying, storing and protecting documents, photographs or cards; document cases; clipboards; desk blotters; binders and files, all being articles of stationery; display books; business card albums and credit card wallets; menu holders.

b) The mark in suit is similar to the opponents' trade marks, and the goods applied for are identical or similar. The mark applied for therefore offends against Sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994.

c) The opponents enjoy a reputation and goodwill in their earlier trade marks in the UK and use of the mark in suit would, without due cause, take unfair advantage of, and would be detrimental to, the distinctive character of the opponents' earlier trade marks and would offend against Section 5(3) of the Trade Marks Act 1994.

4) The applicant subsequently filed a counterstatement denying the opponents' claims, and also stating that it has a prior trade mark number 2019269 for the mark RAPID in relation to goods in Class 20 which has an effective date of 18 April 1989 which was accepted following evidence that the mark had acquired distinctiveness through use and also honest concurrent use.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 29 November 2004 when the applicant was represented by Mr Tennant of Messrs Jordans Limited, and the opponents by Mr Tritton of Counsel instructed by Messrs Marks & Clerk.

OPPONENTS' EVIDENCE

6) The opponents filed a witness statement, dated 8 March 2004, by Barry Michael Anthony Griffiths the Managing Director of Rapid (UK) Ltd a wholly-owned subsidiary of Isaberg Rapid AB. He states that since 1994 the opponents' business and use of its trade marks in the UK have been conducted through Rapid (UK) Ltd. For the thirty years prior to this date sales of the opponents' goods were handled by a distributor.

7) Mr Griffiths states that the RAPID range of products sold in the UK comprises: office staplers, electric staplers, tackers for use in the tools trade, offices and in the home, hole punches and staples for the tools trade and in the office. At exhibit BG1 he provides samples of these products. These include a variety of tackers/staplers, staples and a hole punch. All show use of the logo mark 231464.

8) Mr Griffiths states that the company's products are sold throughout the UK and he provides the following combined turnover figures for both marks:

Year ending 31 December	Turnover £ million
1997	2.5
1998	2.9
1999	3.6
2000	3.8
2001	4.1
2002	3.7

9) Mr Griffiths states that his company has spent £200,000 per annum advertising the RAPID branded range of products in the UK. At exhibit BG2 he provides a sample of publications in the UK in which advertisements have appeared. These are said to include Unlimited, OS magazine, Executive News, Tool Business, Mind Your Own Business, Executive PA, Retail Business, Building News, Contract Floors Journal, Fasteners and Fixings and DIY Week. However, not all of the advertisements listed were provided in the exhibit and a number of those that were provided are after the relevant date. Those advertisements which were dated prior to the relevant date showed use of the logo mark 231464, although in the write up the company name "Rapid" was used. The advertisements all related to the range of products listed at paragraph 7 above.

10) At exhibit BG3 he provides copies of brochures produced for the UK, most of which are dated prior to the relevant date. These show use of the logo mark and also the name Rapid for the goods listed at paragraph 7 above.

11) At exhibit BG4 he provides samples of packaging for a stapler, a tacker and staples all of which show use of the logo mark 231464, but none of which are dated.

12) Mr Griffiths states that his company has attended a number of exhibitions in the UK. A number of exhibitions said to have been attended were listed, however he provides evidence of such attendance only for those in 2003.

13) At exhibit BG6 Mr Griffiths provides sample invoices showing sales of RAPID products which are dated 2003-2004.

APPLICANT'S EVIDENCE

14) The applicant filed a witness statement, dated 28 May 2004, by William Robert Tennant the applicant's Trade Mark Attorney. He states that he has access to the records of the applicant company.

15) Mr Tennant states that the opponents' CTM 231464 is the subject of opposition proceedings and may not proceed to registration. He also claims that the word "rapid" is a well known dictionary word with an apt meaning for the goods in Classes 7, 8 and 16 and so the public will rely upon the device element of the opponents' mark, the word in use solus being seen as "clear, totally descriptive use".

16) Mr Tennant notes that no use of the trade mark "RAPID-VU" has been provided.

OPPONENTS' EVIDENCE IN REPLY

17) The opponents filed a witness statement, dated 31 August 2004, by Michael John Alge the opponents' Trade Mark Attorney. He points out that the opposition to his clients CTM 231464 application is based solely on Class 7 and so despite the outcome it will proceed in Classes 8 & 16. He also points out that the decision has been appealed.

18) Mr Alge claims that the opponents' use of their mark in the UK since 1994 has generated common law rights as well as reputation and goodwill, particularly when "bearing in mind the visually distinctive format in which the mark is used".

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

DECISION

20) I shall deal first with the ground of opposition under Section 5(2)(b) which reads:

"5.-(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."

21) An "earlier trade mark" is defined in Section 6, 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 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,”

22) The opponents are relying on a registered UK Trade Mark and a Community Trade Mark application which is still pending. Both have effective dates which are plainly prior to the application in suit. The UK Trade Mark is clearly an “earlier trade mark” whilst my decision regarding the Community Trade Mark will be a provisional decision dependent upon the mark achieving registration.

23) 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 Bv v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel Bv v Puma AG*;

- (b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel Bv v Puma AG*;

- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel Bv v Puma AG*;

- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.*;

- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel Bv v Puma AG*;

- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel Bv v Puma AG*;

- (h) further, 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; *Marca Mode CV v Adidas AG*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc.*

24) I also have to consider whether the opponents' marks have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The opponents have filed turnover figures for both marks combined but no evidence of market share or the extent of the market. In the absence of such evidence I cannot infer that the opponents have a great reputation under either mark. The opponents also provided figures regarding promotion and advertising, which whilst significant is by no means remarkable and there are no details as to the extent of the circulation of the brochures and advertising material provided in the opponents' evidence. On the evidence filed it is clear that the opponents enjoy goodwill and some degree of reputation in its "rapid & logo" mark in relation to staplers/tackers, hole punches and staples. However, it has not been shown to be a household name amongst the relevant public. With regard to the "Rapid-VU" mark no evidence of use was shown at all. I cannot infer even that the opponents have goodwill in this mark as the turnover figure was a combined figure.

25) When considering inherent distinctiveness one must consider the goods and/or services for which the mark is registered. The specification for "Rapid & logo" broadly speaking relates to hand tools in Classes 7, 8 & 16. The term "rapid" for such items is clearly an indication of their speed. It is a laudatory term and as such has little inherent distinctiveness even with the somewhat unremarkable chevron logo attached. The opponents' second mark "Rapid-VU" is registered for, broadly, folders, wallets, holders and pockets. Again the mark has an allusive nature in that it would be seen and pronounced as "rapid view" alluding to the fact that the items allow the documents held to be quickly seen. However, I accept that it has a degree of inherent distinctiveness.

26) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was recently considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

"The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those trade marks which have become household names. Accordingly, I believe the observations of Mr Thorley Q.C. in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which

contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

27) In the present case it is my view that the opponents’ marks both have a degree of inherent distinctiveness and the opponents’ “Rapid & logo” mark also has a degree of goodwill and some reputation.

28) In essence the test under Section 5(2)(b) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity between the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponents’ earlier marks on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications.

29) When comparing the specifications of the marks I take note of the factors set out by Mr Justice Jacob in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 at page 296. Adapted to the instant case, it can be stated as:

- a) The uses of the respective goods;
- b) The users of the respective goods;
- c) The physical nature of the goods;
- d) The trade channels through which the goods reach the market;
- e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found on the same or different shelves; and
- f) The extent to which the respective goods are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods in the same or different sectors.

30) These factors were referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgement, the ECJ stated at paragraph 23:

“23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed

out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.”

31) At the hearing the opponents reduced their opposition from all goods and services in the specification to a few specified goods. The applicant’s goods which the opponents consider to be similar to their own goods differs for each of the opponents’ marks. I shall deal first with the applicant’s goods considered by the opponents to be similar to the opponents’ CTM 231464 specification. For ease of reference the specifications of both parties which need to be considered are:

Opponents’ CTM 231464	Applicant’s specification
In Class 7: Powerdriven hand tools, in the form of stapling pliers, cable tackers, stapling guns, stapling presses, stapling hammers and staples therefore, staple removers.	In Class 8: Hand tools for use in packaging; cutters.
In Class 8: Hand tools in the form of stapling pliers, cable tackers, stapling guns, stapling presses, stapling hammers and staples therefor, staple removers.	In Class 19: Flooring.
In Class 16: Stapling machines and tacking machines (office requisites), staplers, stapling pliers, staples, staple removers, punchers.	

32) The applicant accepted at the hearing that the “hand tools for use in packaging” in Class 8 were similar to the opponents’ goods in Classes 7, 8 and 16. I therefore turn to consider the remaining specification. In Class 8 the item “cutters” remains. All of the opponents’ goods in Classes 7 and 8 relate to staplers/tackers which could be referred to as joining equipment, whereas “cutters” would appear to relate to slitting or separating. The nearest term that appears in the opponents’ specification is at Class 16 with “punches”. There has been no evidence provided to show why “cutters” would be used by the same customers or what the trade channels would be. On the face of it I believe that the uses have to be seen as different as do the physical properties. It also seems to me that these items would not be in competition. I therefore regard “cutters” as not similar to any of the opponents’ goods in Classes 7, 8 or 16.

33) The opponents contend that “flooring” in Class 19 is similar to their stapling and tacking tools as these items would be used to install flooring. They state that the goods are complementary. Whilst I accept that wooden floors are often secured by a nail or tack which is best installed with a specialised machine this does not of itself mean that the goods are similar. Printing machines are only capable of printing if paper is used but this does not make them similar goods. I have no doubt that the opponents’ goods are not similar to the item “flooring” in the applicant’s specification.

34) I now move onto consider the applicant’s goods which the opponents contend are similar to its specification under UK Trade Mark 1234915 which are listed below:

Opponents’ specification	Applicant’s specification
In Class 16: Folders, holders, pockets and	In Class 6: Dividers; racks; metal racks and shelving for lever arch files and holders; metal storage units for paper.

wallets, all included in Class 16 and for displaying, storing and protecting documents, photographs or cards;	In Class 16: Lever arch files; cardboard storage boxes; card, cardboard and paper boxes; adhesive packaging tapes; parts and fittings for the aforesaid goods.
document cases; clipboards; desk blotters; binders and files, all being articles of stationery; display books; business card albums and credit card wallets; menu holders.	In Class 20: Office furniture; racking, shelving, frames, display units, storage units; cupboards, cabinets and lockers; filing cabinets; magazine storage towers; work benches; work stations; computer work stations; saw horses; work stations adapted for packing goods; divider racks; office cupboards; office chairs; office desks. In Class 21: Plastic stacking bins; plastic containers, boxes, parts and fittings for the aforesaid goods.

35) Again the opponents' contention is that their products would be placed within the goods covered by the applicant's specification. The opponents rely upon the concept of complementarity and referred me to *Canon*. I accept the contention that this case resembles *Canon* but whilst the concept of complementarity can be considered in the global assessment I do not believe that the instant case is on all fours with *Canon* as in that case the connection between the goods was integral. To my mind the applicant's goods in Classes 6, 20 and 21 are not similar to the opponents' goods. With regard to the applicant's goods in Class 16, "lever arch files" are clearly very similar to the opponents' goods whilst the remaining specification has a lower degree of similarity.

36) I will now compare the applicant's mark with the opponents' mark CTM 231464. For ease of reference I reproduce the marks below:

Opponents' mark 231464	Applicant's mark
	

37) Clearly they both share the same first word. The difference between them is that the applicant's mark also has the word "OFFICE" in addition to the shared word, whereas the opponents' mark has a chevron device. There are therefore visual and phonetic similarities and also differences. Conceptually, the opponents' mark would have a meaning for the average consumer as "Rapid" is a descriptive term for hand tools in Classes 7,8 & 16. When considering the applicant's mark the term "Rapid Office" when applied to hand tools in Class 8 and flooring in Class 19 has a clear meaning that these are goods which are office goods which are rapid to use or in the case of flooring to install. With regard to the applicant's goods in Classes 6, 16, 20 & 21 I do not believe that the term "rapid" or "rapid office" would conjure up any conceptual image as one does not normally describe racking, shelving, furniture or boxes as being "rapid". Overall to my mind the similarities outweigh the differences.

38) I now move on to consider the opponents' mark 1234915 against the applicant's mark. For ease of reference they are reproduced below:

Opponents' mark 1234915	Applicant's mark
RAPID-VU	RAPID OFFICE

39) Clearly they both share the same first word. The difference between them is that the applicant's mark also has the word "OFFICE" in addition to the shared word, whereas the opponents' mark has a hyphen and the word "VU". There are therefore visual and phonetic similarities and also differences. Conceptually, the opponents' mark might have a meaning for the average consumer as it could be said to relate to files and folders which allow the contents to be seen quickly or to allow a "rapid view". However, I do not place much emphasis on the conceptual image of either mark as neither seems to me to be particularly descriptive or even allusive in relation to the goods in their respective specifications. To my mind the similarities in the marks outweigh the differences.

40) Taking account of all of the above when considering the mark in suit and the opponents' mark CTM 231414 globally, I believe that there is a likelihood of consumers being confused into believing that "Hand tools for use in packaging" in Class 8 provided by the applicant are those of the opponents or provided by some undertaking linked to them. In relation to these goods the opposition under Section 5(2)(b) succeeds subject to the CTM proceeding to registration. With regard to "Cutters" in Class 8 and "Flooring" in Class 19 there is no likelihood of confusion on the part of the average consumer. The opposition under Section 5(2)(b) in relation to these goods fails.

41) Taking account of all of the above when considering the mark in suit and the opponents' mark UK1234915 globally, I believe that there is a likelihood of consumers being confused into believing that "Lever arch files; cardboard storage boxes; card, cardboard and paper boxes; adhesive packaging tapes; parts and fittings for the aforesaid goods" in Class 16 provided by the applicant are those of the opponents or provided by some undertaking linked to them. In relation to these goods the opposition under Section 5(2)(b) succeeds. With regard to the entire specification applied for under Classes 6, 20 & 21 there is no likelihood of confusion on the part of the average consumer. The opposition under Section 5(2)(b) in relation to these goods fails.

42) Next, I consider the ground of opposition under section 5(4)(a) which reads:

"5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

43) In deciding whether the mark in question "RAPID OFFICE" offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey

Hobbs QC, in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Even Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of “passing off”, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

‘To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

44) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed...”. The relevant date is therefore 12 October 2002, the date of the application.

45) With these considerations in mind I turn to assess the evidence filed on the behalf of the parties in the present proceedings as set out earlier in this decision, and the arguments put forward at the hearing.

46) To succeed under this ground the opponents must show that they enjoyed goodwill at the relevant date. Considered overall it seems clear that the opponents had

some trade in the UK prior to the relevant date. However, the deficiencies in the evidence makes it impossible to assess the extent of the opponents' goodwill in the businesses conducted under its "RAPID-VU" trade mark. No corroborative evidence of use of this mark has been supplied and the turnover figures relate to both the opponents' trade marks. Some evidence of use of the "RAPID & chevron logo" mark has been supplied. In my view only the opponents' business under its' CTM in relation to staplers, tackers, hole punches and staples can form the basis of this ground of opposition.

47) I have found earlier that the marks of the two parties have a degree of similarity and that when used on "Hand tools for use in packaging" in Class 8 would cause confusion. Therefore, it follows that use of the applicant's mark on goods in which the opponents have goodwill is likely to lead the public to believe that the goods offered by the applicant are goods of the opponents, and thus there will be a misrepresentation and consequently damage. The opposition under Section 5(4)(a) therefore succeeds in relation to "Hand tools for use in packaging" in Class 8.

48) Equally earlier in this decision I found use of the mark in suit, actual or on a fair and notional basis would not result in confusion with the opponents' mark when used on "cutters" in Class 8 or "Flooring" in Class 19. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) of the Act must fail with regard to these items.

49) I now turn to the ground under section 5(3) which in its original form reads:

"5.(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

50) The opponents are only opposing the goods as set out in paragraphs 31 and 34 above which were not considered similar under the Section 5(2)(b) ground of opposition.

51) In *General Motors Corporation v. Yplon SA (Chevy)* Case C-375/97 the European Court of Justice established the parameters for claiming a reputation in relation to Section 5(3):

"Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a

significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

52) In *Daimler Chrysler v Alavi* (the *Merc* case) [2001] RPC 42 Pumfrey J. set out the following approach:

“In my view, the best approach is just to follow the section remembering Jacobs A.G.’s warning that it is concerned with actual effects, not risks or likelihoods. The enquiry is as follows. (1) Does the proprietor’s mark have a reputation? If so, (2) is the defendant’s sign sufficiently similar to it that the public are either deceived into the belief that the goods are associated with the proprietor so that the use of the sign takes unfair advantage of the mark, or alternatively causes detriment in their minds to either (a) the repute or (b) the distinctive character of the mark, or (3) even if they are not confused does use of the sign nonetheless have this effect, and (4) is the use complained of nonetheless with due cause.”

53) To succeed under this ground the opponents must show that they enjoy a reputation in the earlier rights. I have found earlier in this decision that the opponents have no reputation in its UK trade mark 1234915 and this ground of opposition therefore fails in relation to this trade mark. However, I also found earlier that the opponents had a reputation under its CTM 231464 “rapid and logo” trade mark.

54) I am therefore considering the use of the mark in suit with regard to the following goods:

In Class 6: Dividers; racks; metal racks and shelving for lever arch files and holders; metal storage units for paper.

In Class 8: Cutters.

In Class 19: Flooring.

In Class 20: Office furniture; racking, shelving, frames, display units, storage units; cupboards, cabinets and lockers; filing cabinets; magazine storage towers; work benches; work stations; computer work stations; saw horses; work stations adapted for packing goods; divider racks; office cupboards; office chairs; office desks.

In Class 21: Plastic stacking bins; plastic containers, boxes, parts and fittings for the aforesaid goods.

55) The opponents contend that there is “a degree of complementarity or natural association, which may not be sufficient to make it similar goods, that will take unfair advantage of”. Specifically, they draw attention to the applicant’s specification “flooring” which relates to wooden floors which are often installed using a floor tacker. Similarly, they state that it could be felt that their “rapid” hole punch was

particularly suitable for a “Rapid Office” lever arch file. Thus, the applicant is seeking to take unfair advantage of the opponents’ reputation.

56) In the *Chevy* case, the Advocate general said:

“43. It is to be noted in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “takes unfair advantage of, or is detrimental to”. Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court; the national court must be satisfied by the evidence of actual detriment, or of unfair advantage. The precise method of adducing such proof should in my view be a matter for national rules of evidence and procedure, as in the case of establishing likelihood of confusion; see the tenth recital of the preamble.”

57) The above does not necessarily mean that there must be actual evidence of damage having occurred. However, there must be real as opposed to theoretical evidence that detriment will occur. The opponents must file evidence of use of their own mark, the qualities and values associated with it and the characteristics of the trade so that it is reasonable to conclude that use of the mark in suit will have the claimed adverse effects.

58) It is also clear from the following passage from *Oasis Stores Ltd’s Trade Mark Application* [1998] RPC 631 that the damage must be more than trivial:

“It appears to me that where an earlier trade mark enjoys a reputation, and another trader proposes to use the same or similar mark on dissimilar goods or services with the result that the reputation of the earlier mark is likely to be damaged or tarnished in some significant way, the registration of the later mark is liable to be prohibited under Section 5(3) of the Act. By ‘damaged or tarnished’ I mean affected in such a way so that the value added to the goods sold under the earlier trade mark because of its repute is, or is likely to be, reduced on a scale that is more than de minimis.”

59) I also note the following comment from Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2004] EWCH 1498 (Ch):

“ 102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

60) It seems to me that the opponents have singularly failed to show that the use of the mark in suit on the goods which are dissimilar to its own would cause detriment. I believe that this is a case where use of the mark in suit on items such as “flooring” will call to mind the opponents’ mark and its reputation for tackers. However, I do not believe that it will affect the consumers’ economic behaviour or damage the

opponents' mark by tarnishing or blurring. I also take into account the fact that the applicant has been using the mark 2019269 "RAPID" on goods in Class 20 since 1985. The opposition under Section 5(3) of the Act fails.

61) The opponents have been successful under Section 5(2)(b) with regard to the following items:

“Hand tools for use in packaging” in Class 8

“Lever arch files; cardboard storage boxes; card, cardboard and paper boxes; adhesive packaging tapes; parts and fittings for the aforesaid goods” in Class 16.

62) In relation to the goods in Class 8 the opposition under Section 5(2)(b) succeeds subject to the opponents' CTM proceeding to registration. Once the outcome of the opponents' CTM application is known the opponents should inform the applicant. The applicant should then file within one month of the date of being informed a Form TM21 amending its specification as appropriate.

63) The opponents were only marginally successful in two of the three grounds. The applicant is therefore entitled to a contribution towards its costs. I order the opponents to pay the applicant the sum of £1500. 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 1st day of April 2005

George W Salthouse
For the Registrar,
the Comptroller-General