TRADE MARKS ACT 1938 (AS AMENDED) AND TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No 1583837 BY HILL-ROM COMPANY, INC TO REGISTER THE MARK FLEXICAIR ECLIPSE IN CLASS 10

AND

IN THE MATTER OF OPPOSITION THERETO UNDER No 44925 BY FLEXICARE MEDICAL LTD

TRADE MARKS ACT 1938 (AS AMENDED) AND TRADE MARKS ACT 1994

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IN THE MATTER OF Application No 1583837 by Hill-Rom Company, Inc to register the mark FLEXICAIR ECLIPSE in Class 10

10 **and**

IN THE MATTER OF Opposition thereto under No 44925 by Flexicare Medical Ltd

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DECISION

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On 2 September 1994 Hill-Rom Company, Inc of Indiana, United States of America applied under Section 17 of the Act to register the mark FLEXICAIR ECLIPSE for a specification of goods which reads "air mattresses for prevention of pressure sores; all included in Class 10". The application claims an international priority date of 16 March 1994. It is numbered 1583837.

On 17 July 1996 Flexicare Medical Limited of Bridgwater, Somerset filed notice of opposition to this application. The grounds of opposition are in summary:-

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- (i) that the opponents are proprietors of trade mark application 2045667 for the mark FLEXICARE in Classes 5 and 10. By reason of their use of and reputation in this mark the application in suit should be refused under Section 11 of the Act.
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- (ii) by reason of the registration of the mark FLEXICARE in Class 42 for related services the application should be refused under Section 12(1).

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- Additionally or alternatively the application should be refused because the second element is identical to the mark ECLIPSE registered in respect of similar goods. Details of these registrations are given below.
- (iii) the applicants cannot claim to be the proprietors of the mark in suit and therefore the application should be refused under Section 17.

Details of the registrations referred to above are as follows:

	No	Mark	Class	Journal	Specification
5	1420160	FLEXICARE	42	5908/732	Medical and health care services; health screening and monitoring services; advisory services in relation to medical, health and safety matters; medical testing,
10					examination and treatment services; preparation of medical reports and the maintenance of medical and health and safety records; analysis and advisory services in relation to medical reports; information, analysis, advisory,
15					counselling, monitoring and research services in relation to medical, health and safety matters; advice and assistance to the legal profession relating to medical and health and safety matters; all included
20					in Class 42.
	1365694	ECLIPSE	10	5818/2052	Medical and surgical apparatus and instruments; orthopaedic apparatus; orthopaedic supports and/or braces; parts
25					and fittings for all the aforesaid goods; all included in Class 10.

The opponents also ask for the application to be refused in the exercise of the Registrar's discretion.

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The applicants filed a counterstatement denying the above grounds and indicating in relation to the marks referred to above that the proprietors of 1365694 have granted a letter of consent in favour of the applicants and the citation of 1420160 was overcome on limitation of the specification of goods.

Both sides ask for an award of costs in their favour. Both sides filed evidence and the matter came to be heard on 9 February 1999 when the applicants were represented by Mr J Graham of Counsel instructed by Withers & Roger, Trade Mark Attorneys and the opponents by Mr R Sullivan of Counsel instructed by Mewburn Ellis, Trade Mark Attorneys.

By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

Opponents' evidence

The opponents filed a statutory declaration dated 7 April 1997 by Ghassem Poormand, their Managing Director, a position he has held since the start of trading in November 1989.

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He says that the principal activity of his company is the manufacture and distribution of plastic medical devices supplied to the National Health Service in the United Kingdom, distributors in overseas markets and the healthcare industry both in the United Kingdom and abroad.

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The products consist of ostomy bags, urology products, suction tubes and respiratory care products. He exhibits (GP1) copies of early press cuttings relating to the company, a cutting from the Western Mail of 4 February 1997 relating to the opening of the company's new factory by the Welsh Secretary, copies of brochures, and samples of various of the company's products including a promotional digital thermometer.

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Many of the company's products are used in hospitals, nursing homes and the like. He exhibits (GP2) copies of the relevant pages from the National Health Service catalogue, the United Kingdom Drug Tariff (January 1996), Healthcare Buyer's Guide (1997) and User Guide to Anaesthetic and Intensive Care Equipment. He adds that the manufacturing of his company's products is subject to strict quality controls and exhibits (GP3) copies of various certificates relating thereto.

Mr Poormand gives turnover figures as follows:

25	1990	£1,545,000
	1991	£2,323,000
	1992	£1,712,000
	1993	£2,628,000
	1994	£3,023,000
30	1995	£3,219,000
	1996	£2,966,000

The figures above represent his company's selling price. For Contract Manufacturing it is thought that customers mark up prices by 50-100%. Until 1993 a small portion of the sales were directed to the National Health Service and since June 1993, 30% of sales have been directed to the NHS; there is no further mark up in the NHS. A selection of invoices are exhibited at GP4. Copies of earlier invoices are said to be not immediately available as they are in the company's archives.

40 In relation to the applicants' goods (air mattresses for the prevention of pressure sores) he says:

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"These mattresses would be used in many of the same situations as my Company's products and there could be confusion as to the source of the respective goods. In fact we have been producing for the last four years a similar product on a contract manufacturing basis for a company that is a competitor to the applicants, as my Company has the facilities for the high frequency welding of PVC films which are used

in the production of such products. For commercial reasons I am not able to disclose for whom my Company is manufacturing this product.

These products, like my Company's primary products, are purchased by hospitals and nursing homes."

In relation to registration No 1365694 referred to above he says that this stands in the name of Royce Medical Company. He comments on the relevance of this registration as follows:

- "The goods of Registration 1365694 are such that they would be found in the same situation and alongside the goods the subject of Application 1583837; indeed some air mattresses for the prevention of pressure sores are sufficiently technical, incorporating air pumps, sensors and the like, that they could be considered to be medical apparatus.
- Thus the use of the word ECLIPSE in the mark could cause confusion as to the origin of the goods. The use of it in combination with FLEXICAIR could give the impression that the product was produced by a joint venture between Royce Medical Company and my Company, or even that our respective companies had merged, or one taken over the other. I understand (though this did not appear in the advertisement of application 1583837) that application 1583837 proceeded by way of consent from Royce Medical Company. Notwithstanding the fact that the Registrar of Trade Marks accepted the consent of Royce Medical Company, there would still seem to be a substantial risk of confusion."
- 25 Finally he comments on issues to do with similarity of marks and says that he is aware of certain market confusion between his company and FLEXICAIRE ECLIPSE in the Republic of Ireland.

Applicants' evidence

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The applicants filed three statutory declarations as follows:

David Bernard George Belli dated 6 October 1997
Jacqueline Lake dated 2 October 1997
David William Lake dated 2 October 1997

Mr Belli is Director of Finance and Support Services of SSI Medical Services Ltd, a wholly owned subsidiary of the applicants responsible for the sale of its products in the United Kingdom. He exhibits (SSI1) a copy of a questionnaire he completed at the request of Withers & Rogers, the applicants' professional advisers. He confirms that "the FLEXICAIR products concerned are very similar in nature and purpose to those which it is intended to market under the trade mark FLEXICAIR ECLIPSE". The answers given to the questionnaire indicate that the mark was first used on 1 November 1993. Approximate turnover figures are said to be:

Approximate Turnover

Number of days rental sold

	1993	£ 5,000	90
	1994	£ 550,000	9,125
5	1995	£1,000,000	17,200
	1996	£1,100,000	20,000

Advertising and promotional expenditure is given as:

10	1993	£	5,000
	1994	£	45,000
	1995	£	10,000
	1996	£	5,000

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15 The goods are said to have been used in a wide range of locations in the UK and details are given of a number of exhibitions attended.

He concludes with a number of observations relating to the nature of the goods sold under the respective marks and says that no instances of confusion have been brought to his attention.

The other two declarations are from Directors of Farncombe International Ltd, a commercial investigation agency. The report produced as a result of their enquiries is exhibited at DWL1. The report details enquiries into use of the mark FLEXICARE by Flexicare Medical Services Ltd, the proprietors of 1420160 referred to above. The relevance of much of the material is not entirely clear but briefly the conclusion reached is that the company was established in 1985 and offers a range of medical services to businesses and individuals including medico-legal services, occupational health services and health and safety advice. The company applies the trade mark to company stationery and have used the word FLEXICARE as part of their company name. Also exhibited (DWL2) is trade literature relating to goods (bath, shower and sanitary accessories) sold under the mark PHLEXICARE. This material came to light during the course of enquiries.

Opponents' evidence in reply

Mr Poormand filed a further statutory declaration dated 29 April 1998. He says that the urology products sold by his company would be used in hospitals as well as the nursing home market. In many cases the end users and medical staff/decision makers would be the same for the parties' respective goods. His company's breathing systems are used in intensive therapy units by the same medical staff who would be looking after patient care matters such as mattresses. Finally he refers to the reference in his first declaration to the fact that his company was producing on a contract manufacturing basis for a company that is a competitor to the applicant. He says that that company is Huntleigh Healthcare, the market leader in the United Kingdom for this type of product. He exhibits (GP1) a copy of an invoice dated 7 January 1997 relating to air mattresses sent to Huntleigh Healthcare.

A statutory declaration has also been filed by Michael Gregory Foster, the trade mark agent responsible for the conduct of the opposition on behalf of the opponents. I do not propose to

record all the details contained in the declaration which is directed towards the circumstances surrounding other applications and registrations. The main points to emerge are:

- that as a result of events surrounding application No 1413887 for the mark FLEXICAIR in the name of Support Systems International BV (later abandoned) Mr Foster considers that there must have been knowledge of the opponents' mark within the Hillenbrand Industries group (Hill-Rom and Support Systems International being subsidiaries within that group).
- Mr Foster considers that Exhibit SSI1 to Mr Belli's declaration refer only to FLEXICAIR and not FLEXICAIR ECLIPSE and with less than one year's use prior to the filing date of the application in suit. Thus the issue of possible confusion with 1365694 cannot fully be determined.
- Mr Foster comments on the fact that 1420160 was a barrier to an earlier application by the opponents though the parties have since come to a co-existence agreement. In his view, therefore 1420160 should be a bar to the registration of 1583837 the more so as he considers that the applicants' use appears to be in relation to the rental (rather than sale) of air mattresses.
- S the relevance of the PHLEXICARE material is questioned on the basis that it does not relate to Class 10 goods and is for a mark that looks rather different.

That concludes my review of the evidence.

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That concludes my review of the evidence.

I will deal firstly with the Section 12 ground. This section reads:

- "12 (1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:
 - a. the same goods
- b. the same description of goods, or
 - c. services or a description of services which are associated with those goods or goods of that description."
- 40 The reference in Section 12(1) to a near resemblance is clarified by Section 68(2B) of the Act which states that references in the Act to a near resemblance of marks are references to a resemblance so near as to be likely to deceive or cause confusion.
- The established test for an objection under this provision is set down in Smith Hayden and Company Ltd's application (Volume 1946 RPC 101). This case is somewhat unusual in that the opponents have a later filed application of their own but rely for the purposes of the opposition on two registrations in third party ownership as set out at the start of this decision.

In fact No 1420160 is now an expired mark which by the time of the hearing was incapable of restoration. It can, therefore, play no part in these proceedings. Registration No 1365694 for the mark ECLIPSE is still relevant. In relation to this registration and adapted to the matter in hand the Smith Hayden test may be expressed as follows:

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Assuming user of the mark ECLIPSE in a normal and fair manner for any of the goods covered by the registration of that mark, is the tribunal satisfied that there will be no reasonable likelihood of deception among a substantial number of persons if the applicants use their mark FLEXICAIR ECLIPSE, normally and fairly in respect of any goods covered by their proposed registration?

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For reasons which will become apparent I do not propose to undertake the usual full comparison of the respective marks. It will, however, be clear that the mark applied for incorporates the whole of the registered mark. Bearing in mind the guidance in cases such as BULOVA ACCUTRON (1969 RPC 102) in relation to house marks I think there can be little doubt that there is a conflict between the marks. So far as the goods are concerned Mr Graham sought to draw a distinction between a number of terms in the specification of No 1365694 (surgical apparatus, orthopaedic apparatus, etc) and the very specific goods of his clients' application. In my view this aspect of his case was a perfectly reasonable one. However, his underlying problem was that the registration in question contains medical apparatus as a broad term. Whilst he made a valiant attempt to draw a distinction between medical apparatus and air mattresses which he described as mechanical devices to support the patient I do not think he could succeed on this basis. In my view an air mattress for the prevention of pressure sores is on any reasonable construction a piece of medical apparatus and I so find.

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However my finding in relation to the marks and the goods is not the end of the matter as reference was made in the applicants' counterstatement to the fact that the proprietors of 1365694 had given a letter of consent in relation to the application in suit as a result, I think, of the Registry citing 1365694 at the examination stage. A problem arose, however, as the consent letter had not been referred to in the Trade Marks Journal advertisement or filed in evidence and consequently was not available to the opponents in this action. I agreed at the hearing to allow the applicants time after the hearing to file a copy of the letter under a covering statutory declaration. A further short period was also allowed for the opponents to comment thereon. As a result Mark Alan Armitage of the applicants' trade mark attorneys duly filed a statutory declaration with the consent letter and supporting correspondence. I also have a copy of a letter from Mr Michael Foster the opponents' trade mark attorney making a number of observations on its contents. His comments relate to the fact that the heading of the letter refers to Royce Medical Products but the body of the letter to Royce Medical Company (the proprietors of record) and that the consent is to registration of the mark FLEXICAIR ECLIPSE and does not refer to use. It seems that the letter was drafted by the applicants' agents and the proprietors adopted the draft. I do not think I should read too much into the points identified by the opponents. Certainly there seems to be no suggestion that the consent was other than freely given.

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The status of a letter of consent in opposition proceedings was considered in British Lead Mills Ld's application 1958 RPC 425 (the WELLOY case) where, like here, the opponents

relied in part on a third party registration to found a Section 12 action. The relevant passage reads:

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"It is true that prior to the acceptance by the Registrar of the mark "Welloy", the Walker Steel Works Ld., the Proprietors of the mark "Walloy", were notified by the present Applicants of their application for the mark "Welloy" and on 10th December, 1953, furnished their consent to the registration of the mark "Welloy", and this being so the mark proceeded to advertisement. This, however, is not conclusive. The effect of a consent on the part of a registered proprietor of a trade mark to the registration of a similar mark is referred to in Dewhurst's Application (1896) 13 R.P.C. 288, where Lindley and Kay, L.JJ., both indicated that a consent was not conclusive and not binding on the Registrar, but was merely some evidence that there might not be confusion between the two marks. Lopes, L.J., however, went further and said "I do desire to say one word about a matter which I consider a very important one. We have been told here that rival traders, those who have trade marks resembling, as pictures, the words sought to be registered, consented to this registration, now, to my mind those consents are absolutely immaterial. It may be, and I think it is properly said, that those consents are some evidence of their not being a probability of persons being deceived. I think to that extent that may be used; but to say that they have any greater effect I think would be most mischievous. The public have no notice of these consents. The general public are to be protected as well as traders. They have no notice of these consents and it is obvious - and, in point of fact, it is stated to have happened; and I do not doubt that it has happened - that these consents might be bought and sold to any extent; and anything more mischievous than that it would be impossible to imagine, having regard to the principal object of this Act of Parliament".

I have quoted the reference back to Dewhurst's Application in full because it is clear that Lopes LJ went rather further than his colleagues reflecting, I think, the importance attached to protection of the public. It is true that the Trade Marks Act 1994 takes a rather different approach and under Section 5(5) of the 1994 Act the Registrar cannot maintain an objection based on an earlier mark where consent has been given. However I am obliged to consider this matter under the 1938 Act and I, therefore, approach the matter with the WELLOY case in mind.

- 35 On this basis it seems to me that the considerations I should have in mind are that
 - a consent given at the examination stage is not conclusive or binding on the Registrar in opposition proceedings but...
- 40 ... equally this is not to say that the giving of consent should be ignored
 - consent is relevant in judging whether there is or is not a likelihood of confusion (see the decision of Robin Jacob QC (as he was then) sitting as the Secretary of State's Tribunal in ZETAPOR application No 1221661)

- the interests of the public and other traders must be considered
- regard should be had to all the surrounding circumstances of the case.
- 5 In the WELLOY case both the mark applied for and the "consenting registration" (WALLOY) were invented words which differed by just a single letter and that a vowel. More significantly perhaps both specifications covered closely similar goods that is to say unwrought and partly wrought metals and alloys. It seems, therefore, that the two companies were operating in the same area of trade. I do not think the same can necessarily be said on the facts of the case 10 before me. The specification of 1365694, including as it does medical and surgical apparatus at large, covers a very broad range of goods within Class 10. It will also be seen that the specification refers to particular terms such as "orthopaedic apparatus, orthopaedic supports and/or braces". It would be wrong to assume from this that the registered proprietors' only real interest lay in the specifically identified items but it is perhaps a pointer to an area of 15 specific interest. I note also that the applicants' agents made precisely this point when seeking a letter of consent as well as indicating their belief that both marks co-exist on the US register and that there has been no conflict between the parties. There is no indication that the proprietors of 1365694 took issue with any of these claims or that the giving of consent was anything other than an independently taken and freely arrived at decision on their part. I also take into account the fact that the application before me is in respect of a very specific item 20 which is likely to be purchased or rented by knowledgeable individuals. In all the circumstances I am persuaded that I should accept the letter of consent as an indication that there is in practice unlikely to be any risk of confusion and that the interests of the public and other traders are not going to be adversely affected. Accordingly the opposition fails under Section 12. 25

I next consider the objection under Section 11. The section reads:

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"11 It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."

The established test is that set down in Smith Hayden & Co Ltd's application but as adapted by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand the test may be expressed as:

Having regard to the user of the opponents' mark FLEXICARE, is the tribunal satisfied that the mark applied for, FLEXICAIR ECLIPSE, if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

It will be useful at the outset to consider the parties' positions and the marks themselves.

Mr Poormand describes his company's (the opponents) products as being ostomy bags, urology products, suction tubes and respiratory care products. On the basis of the evidence and exhibits that does not seem an unreasonable description. However it conceals usage of a

number of different signs or marks. Broadly speaking the mark FLEXICARE (solus) is used in relation to ostomy and urology products (drainage bags and the like). The respiratory products, tracheal tubes etc are sold under a variety of marks (VENTICARE, VENTIMASK, PAEDIMASK). The company name is also present but with the element FLEXICARE

5 MEDICAL picked out in such a way that these words are also likely to be taken to be part of the trading style. The turnover figures are said to relate to the company and no separate breakdown is given as between product categories or individual marks. The applicants' goods require little further comment. So far as the marks are concerned I take the view that the applicants' mark, although it contains the additional element ECLIPSE, contains the opponents' mark FLEXICARE. The "misspelling" seems to me to be of no or little assistance to the applicants in overcoming the problem.

At the hearing and in his skeleton argument Mr Graham, for the applicants, undertook a comparison of the goods using the well known criteria from the JELLINEK case (1946 RPC 59). In some respects this is a useful starting point but I do not propose to adopt this approach. The test under Section 11 is not restricted to goods of the same description. Other factors such as the circumstances of the particular trade or the breadth of an opponents' reputation might lead to a likelihood of confusion notwithstanding apparent differences in the respective sets of goods. It is necessary therefore to consider all relevant factors.

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The main characteristics of the opponents' goods seems to be that they are plastic disposable products which, because of their intended uses, are manufactured under sterile conditions and are for single patient use. They would, I think, be the sort of items that are routinely stocked on hospital wards or in nursing homes and no doubt would be re-ordered automatically as stocks got low probably without the need for intervention by hospital consultants or experienced medical staff. The applicants' products on the other hand are air mattresses. In fact the product literature shows the mattresses as part of what I take to be a custom-designed bed incorporating adjustment points and controls to regulate air flow to the mattress. It is more in the nature of a piece of capital equipment. It may well be that hospitals keep a number of such mattresses/beds on hand but the applicants' own trading activities suggest that it is also normal to rent such items as and when the need arises. It seems unlikely that the ordering or rental process would follow the same pattern as that for the opponents' goods. At a high level of generalisation it is true to say that both sets of goods are used in hospitals and nursing homes. But that is also true of a wide range of other products so I do not think the opponents can rely on this factor alone. On the evidence, therefore, it does not seem to me there is anything in the inherent characteristics of the goods or the nature of the trade that will lead to confusion. It is not, I think, suggested that it is customary for traders to span such diverse categories of goods. Nor is the opponents' business itself so widely diversified that anyone coming into contact with the applicant's mark would have cause to wonder whether the same trade source was involved. The medical equipment field covers a very wide range of goods and on the evidence I cannot see that the opponents cover other than a relatively small part of it or that their existing reputation extends into areas beyond their immediate trade. Moreover the use on their part of other identifying marks as indicated above further mitigates against a likelihood of confusion.

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There are two other circumstances which have been referred to in the evidence and which the opponents say should have a bearing on my decision. Firstly Mr Poormand says that he is

"aware of certain market confusion between my company and FLEXICAIRE (sic) ECLIPSE in the Republic of Ireland". He does not offer any further information or explanation and nothing is said about the parties' respective activities and positions in the Irish market. Such an unsubstantiated claim cannot in my view be given any weight. The second point is potentially of rather greater significance. Mr Poormand says that his company has been using 5 its high frequency PVC welding capability to manufacture a similar product (mattresses) for one of the applicants' competitors. He exhibits an invoice dated 7 January 1997 relating to an air mattress sent to Huntleigh Healthcare. There are a number of difficulties with this evidence. It relates to a period well after the material date in these proceedings. It is not said 10 what mark or marks will appear on the goods eventually put on the market by Huntleigh (it seems more likely that the latter's name or mark will appear or be given prominence but the point has not been clarified). The nature of this sub- manufacture trade for Huntleigh makes it difficult to conclude that confusion has arisen or is likely to arise in the future. Accordingly neither of the above circumstances leads me to a different view of the matter. The opposition 15 under Section 11 fails.

The other principal ground of objection is Section 17(1). I have referred briefly in the evidence summary to Mr Foster's reference to an earlier application (No 1413887) by an associated company of the applicants' which was abandoned in the face of a first use claim by the current opponents. At the hearing Mr Sullivan submitted that this showed the current application was not made in good faith. I do not think there is any real basis for such a claim. There is no indication that when the earlier application (1413887) was filed that there was any knowledge of the opponents' competing interest. The mere fact that the applicants' associate company abandoned the application (which was in any case for a wider specification of goods) in the face of the opponents' counterclaim does not in my view amount to an abandonment of any proprietorial interest they might claim or be entitled to. I also bear in mind that a very much narrower and specific range of goods has now been applied for. I see no reason to doubt the applicants' claim to proprietorship of the mark for these goods.

Finally there is the matter of the Registrar's discretion. I see no basis for exercising discretion adversely to the applicants.

As the opposition has failed the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £635.

Dated this 14 day of April 1999

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45 M REYNOLDS
For the Registrar
the Comptroller General