

O/156/03

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2253168
BY THE SOCIETY OF BRITISH WATER INDUSTRIES
TO REGISTER A TRADE MARK
IN CLASS 9

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 80479
BY WALTER J HALKERSTON & JEAN HALKERSTON T/A UNIPAR SERVICES.

BACKGROUND

1) On 17 November 2000, the Society of British Water Industries at 38 Holly Walk, Leamington Spa, Warwickshire, CV32 4LY, applied under the Trade Marks Act 1994 for registration of the following certification trade mark:



2) In respect of the following goods in Class 9: “Inductive meter reading pads used for the remote reading of utility meters”.

3) On the 20 December 2001 Walter J Halkerston & Jean Halkerston t/a Unipar Services of The Old Stables, 26 Lower Green Road, Rusthall, Tunbridge Wells. Kent, TN4 8TW filed notice of opposition to the application. The grounds of opposition are in summary:

a) The opponents are the proprietors of UK Trade Mark 2210027 “PADS” which is registered for the following goods:

In Class 9: “Electronic detection and warning systems; electronic systems for the detection and monitoring of physical and environmental changes; communications systems; electronic control apparatus and instruments; electronic signs and signals; processors; printed circuit boards; anemometers; solar panels; electronic control panels; parts and fittings for the aforesaid goods.”

In Class 37: “Installation, maintenance and repair of electronic and communications systems.”

b) The goods in the applicant’s specification are data communications devices or “data communications hardware” as originally specified in the applicant’s form TM3. These are identical goods to the opponents’ “communications systems; electronic control apparatus and instruments; electronic control panels and parts and fittings therefor”. The mark in suit consists of the word PAD in combination with a star device which is non-distinctive and laudatory for communications products. The mark therefore

offends against Section 5(2)(b) of the Trade Marks Act 1994.

c) The specification of the opponents' mark includes "maintenance and repair of communications systems". Such services are likely to be provided by licenced users of the Certification Trade Mark in relation to the maintenance and repair of the goods to which the Certification Trade Mark is to be applied. The mark in suit therefore offends against Section 5(2)(b) of the Trade Marks Act 1994.

d) The specification of goods of the Certification Trade Mark, and the associated regulations of the Certification Trade Mark, uses the Registered Trade Mark as the name for inductive meter reading devices. Reference to such communications devices, or "data communications hardware" as specified in the subject application as original filed, constitutes a misuse of the opponents' registered trade mark. The application and, in particular, the specification of goods and associated regulations, is objectionable as not clearly stating the goods in relation to which it is sought to register the Trade Mark, contrary to Section 32(1)(c) and the characteristics of the goods to be certified, contrary to Schedule 2, respectively.

4) The applicant subsequently filed a counterstatement accepting that the opponent is the proprietor of the registrations claimed but denying the opponent's other claims.

5) Both sides filed evidence in these proceedings. Both sides ask for an award of costs.

6) The matter came to be heard on 27 February 2003. The applicant was represented by Mr Mitcheson of Counsel instructed by Messrs Forrester Ketley & Co. The opponent was not represented, but did supply written submissions.

OPPONENTS' EVIDENCE

7) The opponents filed a declaration, dated 11 July 2002, by Walter Johnston Halkerston co-owner of Unipar Services. He describes the business as "trading in the field of development, manufacture, supply and installation of, inter alia, electronic data collection and communication systems. Unipar also maintains and repairs such systems."

8) Mr Halkerston states that a typical system involves "data collection devices collecting data for downloading to a central processing device. The data is downloaded or transferred through an interface. Interfaces are electronics hardware devices that communicate (transmit and/or receive) data usually digital data - essentially information in the form of binary numbers. The data collected from a data collection and/or processing device is received, as electronic signals by the interface and, if necessary, converted to a form suitable for communication, before transmission. The format for transmission will be in accordance with a standard low level protocol such that the context or meaning of the numerical data is undefined. A number of different types of interface are available to communicate data either through a cable (which requires physical contact between the cable and interface) or by wireless communications (e.g. using infra red or radio communications). The type of interface in a particular system is primarily determined by cost considerations, the cheapest solution is to download data from a data collection source by physical contact.

9) Mr Halkerston states that his company develops such systems for a variety of customers. He instances speed detection systems, and at exhibit WJH1 provides a leaflet which gives details of his company's products and systems in this field. In the brochure mention is made of the proximity download system (PADS). He claims that his company also develop fault or event systems for railway applications such as monitoring hydraulic pressure on points and communicate collected data to a central location for maintenance purposes. He claims that customers include police forces, Railtrack BP and ICI. Mr Halkerston states that his company is not restricted to any given industry, but can develop systems to meet any client's needs.

10) Mr Halkerston states that in 1998 he devised the name PADS in relation to a system developed for Railtrack. It is an acronym for Poor Adhesion System. He states that the name was well received and has been used by his company as a trade name for all its systems and associated products. He claims that the registration provides protection in relation to his company's systems "as well as their component parts which are supplied separately as additions to a network or as spare parts, and the installation, repair and maintenance of the systems".

11) Mr Halkerston states that he has reviewed the regulations associated with the mark in suit. He claims that:

"The goods are electronic data communications hardware products, namely an electronic circuit contained in a housing that can be connected by cable to a data collecting device (e.g. a water meter). The housing has a contact surface, which, when contacted by a suitable probe attached to a hand held computer, can "induce" the electronic circuit to transmit data from the water meter to the hand held computer. The goods thus comprise an interface for the communication of numerical data from a data collecting device (the water meter) to a central processing device (the hand held computer)."

12) He continues:

"Such an interface is not application specific. In other words it can be used to communicate data of any type, and so goods can be used with any type of data collection device, not just utility meters."

13) Mr Halkerston states that the original specification applied for was "data communications hardware". These he claims are identical goods to the interfaces which are an integral part of the systems supplied by his company. He states again that hardware interface systems are not application specific, the data communicated is simply numerical data. He states that the businesses which are likely to become authorised users are specified in the regulations of the mark in suit. The companies identified are, he claims, parts of multinational organisations which trade throughout the world in a variety of industries. At exhibit WJH2 he provides a brochure for Fusion Meters (part of the Seven Trent Services group), and copies of web pages for Invensys; ABB (of which ABB Kent Meters is a part) and Sachlumberger. All four companies are members of the applicant organisation and likely to be users of the certification trade mark. Mr Halkerston points out that these companies have a wide range of interests in a variety of industries and are all competitors of his company.

14) Mr Halkerston states that the certification trade mark is likely to be used on brochures relating to complete systems, and also on the sides of houses, factories and vehicles. Thus he claims the public would also be exposed to the certification mark.

15) Mr Halkerston comments on the similarity of the two marks and claims that his company has used a device with his registered trade mark. At exhibit WJH3 he provides a reproduction of the device he claims has been used with his mark. This shows a geometric device and the letters PADS.

APPLICANT'S EVIDENCE

16) The applicant filed a declaration, dated 24 October 2002, by Carol Anne Hickman the Executive Director of the Society of British Water and Wastewater Industries, the applicant. She explains that the applicant's change of name occurred "towards the end of 2001".

17) Ms Hickman states that:

"Broadly speaking, I agree with Mr Halkerston's summary of the nature of the products to which the STAR PAD certification mark relates, although this is simply a matter of public record, as the standard, being open, is freely available to the general public. In paragraph 6 of his declaration, Mr Halkerston states that, in his opinion, the specific goods now covered by our application were correctly defined, at an initial stage in the application procedure, as "data communications hardware". I completely fail to see the relevance of this assertion (which, in any event, is precisely that; it is not evidence of anything at all) as the opposition is directed against a precisely-defined range of products encompassed by the words "inductive meter reading pads used for the remote reading of utility meters". Despite what Mr Halkerston has said, it is clear that the goods covered by our application are very specific indeed."

18) Ms Hickman states that the word "pad" is in widespread use throughout the water industry, as referring to a device that allows remote reading of water meters to be effected. At exhibit CAH1 she provides copies of web pages from ABB and Fusion Meters which show numerous examples of the word "PAD" being used to describe remote reading devices. There are references to "smart pads", "wall pads", "pit pads" and "remote pads".

19) Ms Hickman states that the opponents' clients are not involved in "our area of activity". She also claims that no-one familiar with the certification mark could be confused into thinking that the opponents' goods are certified as complying with the industry standard. She states that the Certification Regulations state that a wall pad must have a maximum diameter of 68mm. She claims that few members of the general public "are thus likely to be exposed to these devices".

20) Lastly Ms Hickman states:

"Indeed, as the word "pad" is so obviously a well-accepted term in relation to the products with which we are concerned, I do not understand how the opponents managed to obtain a registration which, as they obviously contend, could possibly be

effective to provide valid protection in relation to these devices. I am advised by our Trade Mark Attorney that trade marks that do nothing more than describe the nature of goods cannot validly be registered in relation to such goods. Thus, I fail to see how any valid portion of the opponents' registration could possibly overlap or conflict with our application."

21) That concludes my review of the evidence.

DECISION

22) I turn first to the ground of opposition based upon Section 5(2)(b) of the Trade Marks Act 1994, 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."

23) 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,"

24) The opponents' trade mark 2210027 has a registration date of 29 September 1999 and is plainly an "earlier trade mark".

25) In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV 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 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* page 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG* page 224, 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.* page 84, paragraph 27;

- (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* page 224;
- (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* page 224;
- (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-Mayer Inc* page 132, paragraph 17;
- (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* page 224;
- (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* page 224;
- (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* page 732, paragraph 41;
- (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-Mayer Inc* page 133 paragraph 29.

26) In essence the test under Section 5(2) 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 in the goods and/or services, the category of goods and/or services in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponent's registrations 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.

Similarity of goods and services

27) The relevant specifications of the two parties are as follows:

Applicant's Specification	Opponent's specification
Class 9: Inductive meter reading pads used for the remote reading of utility meters.	Class 9: Electronic detection and warning systems; electronic systems for the detection and monitoring of physical and environmental changes; communications systems; electronic control apparatus and instruments; electronic signs and signals; processors; printed circuit boards; anemometers; solar panels; electronic control panels; parts and fittings for the aforesaid goods.
	Class 37: Installation, maintenance and repair of electronic and communications systems.

28) In order to assess the similarity of the goods and services, I note the factors set out by Mr Justice Jacob in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 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.

29) 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.”

30) Mr Mitcheson contended that the applicant's goods were a very specific item, he described

it thus:

“It is inductive meter reading pads. The use is for remote reading and the remote reading of what? It is utility meters. As you will see, sir, from the evidence basically what these devices are, they are small pads that appear on the side of a house or on top of a meter.”

And

“They are then used by either having a probe stuck against them to take a meter reading or by radio signal to a central collecting device in a car.”

31) Discounting the rest of the opponents’ specification as being dissimilar, Mr Mitcheson stated that “Communications systems” was the aspect of the opponents’ specification which came closest to the applicant’s goods. He contended that:

“However, we say that per se that these are not communication systems, albeit they do take part in the transfer of information from one place to another, but again if the PADS mark was to cover all devices, which transmit information from one place to another, then it would cover any component in any computer, any electronic device, even non-electronic devices as well. We say, sir, that you ought to construe the words “communication systems” sensibly and in doing so we say you ought to come to the conclusion that these are not communication systems. They are much narrower and more specific. They are pads, inductive meter reading pads, used in connection with utility meters.”

32) It seems clear from the contentions above that the applicant’s goods receive information from a water meter and relay that information when prompted either physically by a probe or remotely by radio transmission. To my mind these cannot be said to be a communication systems nor are they parts of a communication system.

33) The users of the applicant’s mark were said by the applicant to be large water companies, who it was claimed would take considerable care in purchases. Although neither side provided evidence on this point. From my own knowledge I am aware that the major utility companies subcontract work these days rather than retain their own workforce. These subcontractors are required to adhere to robust standards of work and to use goods which comply with the industries standards. However, these goods tend to be purchased by the subcontractor rather than provided by the utility company. It is also common for such companies to provide a range of abilities and not work in a single industry sector. To my mind the users might be common, although they will also be diligent.

34) Neither the physical nature of the goods nor the trade channels have been addressed in evidence. These would not seem to be goods which one would obtain by self service.

35) Clearly the mark in suit is a certification mark, and the applicant is not engaged in commercial activity in selling goods. However, the mark in suit will be used on meter reading devices in the market to signify that they are of the required standard. These may or may not also carry the manufacturers mark. Given that the maximum size of such goods is 68mm, as stated by Ms Hickman, then the scope for other marks would seem to be somewhat limited.

36) To my mind the goods of the applicant are not identical to those within the opponents' specification nor are they similar.

Distinctive character of the opponents' mark

37) The distinctive character of an earlier trade mark is a factor to be borne in mind in coming to a view on the likelihood of confusion (*Sabel v Puma*, paragraph 24). That distinctive character can arise from the inherent nature of the mark or be acquired through use.

38) The opponents' mark consists of the letters PADS. In the evidence it is suggested that originally this was an acronym for Poor ADhesion System, but that subsequently it has been used on all the opponents' products. The opponents' have filed almost no evidence of use of the mark, and have failed to establish an enhanced degree of distinctive character for their mark. In *Duonebs Trade Mark BL O/048/01*, Mr Thorley QC, sitting as the Appointed Person, said in relation to this point:

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

39) I am not persuaded that the opponents' mark can be said to have acquired an enhanced degree of distinctive character in this country. The word “pad” is a well known dictionary word which has a number of meanings and is in common use in a wide range of settings. The mark PADS would be seen as the plural form of the word. The mark possess a small degree of inherent distinctive character.

Distinctive character of the applicant's mark.

40) The applicant contends that the term “pad” is a descriptive term for a device which allows for the remote reading of a water meter, and that it is in general use. The applicant has filed evidence of use of the word “pad” in a descriptive manner by other companies in the water industry. I therefore have to bear in mind the comments in *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 23:

“In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered;”

41) In my view the “pad” element of the applicant's mark would be seen as merely descriptive of the goods and not an indication of their origin.

Similarity of marks

42) The marks of the two parties are as follows:

Applicant's mark	Opponents' Mark
	<p>PADS</p>

43) At the hearing Mr Mitcheson contended that the applicant's mark would be referred to verbally as STARPAD. Amongst his other contentions were the following:

- “The fact that the mark applied for is a device rather than a word makes it distinctive per se because consumers will recognise the presence of that device feature in the mark.”
- “Again, the opponent's case is the presence of the device leads to the marks being a different size. One is four letters, one is a star, a three letter word in bold and then underneath, of course, “SBWI Certification Mark”. Again, sir, we say that this is a significant additional part of the applicant's mark because it will indicate to people who see it that the mark is said to be a certification mark.”
- “We say that the word STAR is likely to feature in people's minds. They are likely to consider the star part of the mark and describe it as STARPAD rather than merely ignoring the star when referring to it orally.”

44) Clearly there are visual differences between the marks. As the applicant contends the mark in suit contains a large “star” device in front of the word PAD. The fact that the word is shown in bold is not relevant as there is no restriction on the opponent who could equally use his mark in bold type. There are also the words in small type below the device and word. The applicant has shown that the word “pad” in relation to the goods covered in the applicant's specification would be seen as descriptive and not an indication of their origin. The device element is eye catching, however it is accepted that “words speak louder than devices”. The words underneath confirm that the goods conform to a required standard and could be viewed solus as the certification mark.

45) The applicant contended that the mark in suit would be described as STARPAD. No evidence was provided to back up this contention and I do not accept it. Because of the descriptive nature of the term “pad” in relation to the goods in the applicant's specification I believe that it is far more likely that the mark will be referred to by the letters “SWBI”. Therefore despite the applicant's mark containing the singular version of the opponents' mark, in my view they are phonetically dissimilar.

46) Conceptually, the word PAD/PADS has a number of meanings and is a well known English word. It has a clear meaning in relation to the applicant's goods, but not with regard to those of the opponents. In addition the applicant's mark has the letters “SBWI” which would be seen as the acronym for the applicant.

Likelihood of confusion

47) Items which are operated by electrical or magnetic induction and allow the user to remotely read a utility meter are, I would suggest, chosen with some consideration. The average consumer of such products would, in my opinion, exercise some care in the selection as these are specialised goods. Such a person would appreciate that PAD is descriptive of such goods and would be less likely to be confused. I do not believe that there are similarities between the goods, this combined with the visual and aural dissimilarities are such that I believe that the average consumer for such items would not believe that the goods came from the same or economically linked undertakings.

48) With all of this in mind I come to the conclusion that when all factors are considered, that there was not a likelihood of confusion at 17 November 2000. Consequently, the opposition under Section 5(2)(b) fails.

49) The opponents also contended that the specification of the goods offended against Section 32(1) of the Trade Marks Act 1994. It is claimed that the application does not clearly state the goods which are sought to be registered, and also that the application constitutes a misuse of the opponents' mark. As I have found the marks to be dissimilar, the application cannot constitute a misuse of the opponents' mark. The contention regarding the specification has not been particularised in evidence and it is dismissed.

Conclusion and costs

50) The opposition having been unsuccessful the applicant is entitled to a contribution towards costs. I order the opponents to pay the applicant the sum of £2000. 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 11TH day of June 2003

George W Salthouse
For the Registrar
The Comptroller General