

O-159-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 82122
BY ALCOA FASTENING SYSTEMS AUSTRALIA PTY LTD
FOR A DECLARATION OF INVALIDITY
IN RESPECT OF TRADE MARK No 2211603
STANDING IN THE NAME OF
TOM CARRINGTON & CO. LIMITED & VOLKEL GMBH**

BACKGROUND

1) The registered proprietors have the following trade mark registered in the UK:

Mark	Number	Effective Date	Class	Specification
	2211603	19.10.99	6	Threaded inserts of common metal.

2) By an application dated 20 April 2005 Alcoa Fastening Systems – Australia Pty Limited applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) The applicant is the registered proprietor of UK trade mark 1357548 RECOIL registered on 1 February 1991 in respect of “Screw inserts of common metal, all included in Class 6”. The applicant has used its mark throughout the UK on the goods for which it is registered and has from such use acquired a substantial goodwill and reputation. The mark has therefore been registered in breach of Section 5(2)(b) of the Trade Marks Act 1994 and invalidity is sought under Section 47(2)(a) of the Trade Marks Act 1994.

3) The registered proprietors filed a counterstatement denying the above grounds and sought proof of use of the applicant’s mark in the five years preceding the date of application of the mark in suit. The registered proprietors claim that the applicant acquiesced in the use of the mark in suit and claims that the applicant is disentitled to make the present application under Section 48(1) of the Trade Marks Act 1994.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 16 May 2006 when the registered proprietors were represented by Mrs Maddox of Messrs W P Thompson, and the applicant was represented by Mr Hill of Counsel instructed by Messrs Ladas & Parry.

APPLICANT’S EVIDENCE

5) The applicant filed a witness statement, dated 4 August 2005, by Allan Binstead the Commercial Director of Alcoa Fastening Systems Ltd the UK affiliate of the applicant company. He states that his company is authorised to use the mark RECOIL in the UK on behalf of the applicant. He states that the mark has been used in respect of wire thread inserts, replacement and bulk; recoil kits; recoil range kits, gauges, sti taps, and installation tooling, manual, prewinder, pneumatic and electric. He states that the mark was first used in 1991 and he provides a list of towns in which goods are sold under the RECOIL mark which covers the whole of the UK.

6) Mr Binstead provides sales and promotion figures for products sold under the RECOIL mark as follows:

Year	Sales £	Promotion £
1991	360,000	20,000
1992	450,000	25,000
1993	480,000	30,000
1994	650,000	30,000
1995	740,000	30,000
1996	800,000	35,000
1997	850,000	35,000
1998	900,000	40,000
1999	950,000	35,000
2000	1,000,000	35,000
2001	1,000,000	40,000
2002	1,100,000	35,000
2003	1,150,000	40,000
2004	1,290,000	40,000

7) However, it is not stated categorically that these figures relate to the UK. Mr Binstead states that the mark has been promoted in publications such as *European Design Engineer, Fasteners & Fixings, The Engineer* and *Engineering Distributor*. The mark has also been promoted at trade fairs in the UK such as MacTools exhibition, Troy Show, Snap On exhibition and THS Show. He also provides the following exhibits:

- AB2: a sample of eight purchase orders. These cover the period 25 January 2005 – 8 February 2005. Three actually refer to RECOIL products on the order form, all are from addresses in the UK and all state that the order was accepted as received.
- AB3: a selection of three brochures only one of which is dated (2005) and a catalogue dated February 2004 which all feature products bearing the RECOIL mark, all of which are wire thread inserts or tools associated with fitting them. No details of where these were distributed have been provided.
- AB4: An example of a RECOIL thread repair kit which has a date of June 2004 on the instruction booklet, and a packet of RECOIL thread inserts which is undated. It is not clear whether these were offered for sale in the UK.

REGISTERED PROPRIETORS' EVIDENCE

8) The registered proprietors filed a witness statement, dated 28 October 2005, by John Carrington a Director of Tom Carrington & Co. Ltd one of the joint proprietors. He states that he is authorised to make the statement on behalf of both companies. He states that the goods sold under the mark in suit are manufactured by Volkel GmbH and are distributed in the UK by Tom Carrington & Co. Ltd.

9) Mr Carrington states that the goods sold are small metal goods including screw inserts principally for the engineering industry. He states that in October 1999 the proprietors introduced V-COIL screw inserts sold on their own or as part of a thread

repair kit to the UK market. They applied to register the mark on 19 October 1999 having carried out their own searches, and the mark was eventually registered on 1 April 2000 with no-one opposing the mark. Mr Carrington provides the following sales and promotion figures for V-Coil in the UK:

Year	Sales £	Promotion £
2000/2001	45,000	11,000
2001/2002	60,000	11,000
2002/2003	70,000	19,500
2003/2004	95,000	10,000
2004/2005	100,000	30,000

10) Mr Carrington states that the mark in suit is promoted by way of product catalogues which are sent to all customers, four such V-Coil catalogues have been distributed and examples of three of these are provided at exhibit JC2 (dated 2001, 2002 & 2005). All show use of the mark in suit. The company has also attended the Koln Hardware Fair 2000-2004 inclusive, RS Components Show 2003-2004 inclusive and the Troy UK Trade Show 2005. Also included at exhibit JC2 are examples of both parties' thread repair kits which apart from the packaging and colouring, are identical. Mr Carrington includes invoices from 6 September 2001-15 April 2002 for thread repair kits which carry the same stock list as the earlier V-COIL thread repair kit provided as an example.

11) Mr Carrington states that he is aware of competitors in respect of thread repair kits who use brand names such as HELI COIL, COIL THREAD, AMECOIL, ROSE_COIL, ELLICOIL, COILSERT and NU-COIL. He states that "The word "coil" is descriptive of screw inserts as they consist essentially of coiled metal springs".

12) At paragraph 6 of his statement Mr Carrington states:

"It is interesting to note that in its Statement of Claim the Applicant avers that use of V-COIL is likely to lead to confusion with RECOIL. There is however no reference made in the Statement to actual confusion which one would expect if any confusion had occurred during the 5 years that the marks have been co-existing in the marketplace."

13) He also comments that neither proprietor company has ever received a complaint of confusion from Alcoa or its predecessor in title. He states that he cannot understand why they should now attack the registration when there has never been a problem in the past. He also comments that he believes that the applicant was aware of his company's activities as at the Cologne Hardware Fair in Germany on 13 March 2000 when a Mr Brok, the sales and marketing manager of Recoil Marketing BVBA visited the registered proprietor's stand and spoke to Mr Volkel. At Mr Brok's request a brochure was sent out to him on 21 March 2000. At exhibit JC1 is a note made by Mr Volkel at the time which notes that Mr Brok is from Belgium, and that an objection to the use of the mark in suit will be sent to Volkel. It also confirms that a brochure was sent to Mr Brok.

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

DECISION

15) The request for the declaration of invalidity is made under the provisions of Section 47(2) of the Act. The relevant part states:

“47 (2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

16) The action is brought under section 5(2)(b) which states:

“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.”

17) 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,”

18) The applicant for invalidity is relying upon its trade mark 1357548 which has an effective date of 12 September 1988 and is clearly an earlier trade mark.

19) The application for invalidity was filed on 20 April 2005. I must therefore consider the position under The Trade Marks (Proof of Use, etc.) Regulations 2004. Paragraph six of which states:

“6. In section 47 (grounds for invalidity of registration), after subsection (2) there shall be inserted –

“(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.””

20) As the mark that the applicant for invalidity is relying upon was registered more than five years prior to the request for invalidity I must first consider whether the applicant has fulfilled the requirement to show that genuine use of the mark has been made.

21) In raising an invalidity action the onus is upon the applicant to make out its case. At the hearing it was contended that the applicant’s evidence was deficient and did not meet the requirements set out above. I accept that the evidence provided by the applicant was less than compelling. However, in the witness statement of Mr Carrington on behalf of the registered proprietor he states that the marks have co-existed in the marketplace for five years. I am therefore willing to accept that the applicant has used its mark in the UK during the relevant period.

22) 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-Mayer 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.

23) In essence the test under Section 5(2) is whether there are similarities in marks and goods 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, the category of goods in question and how they are marketed. Furthermore, I must compare the registered proprietors mark and the applicant’s mark on the basis of their inherent characteristics assuming normal

and fair use of the marks on a full range of the goods covered within the respective specifications.

24) The applicant's mark is inherently distinctive. However, I must also consider the use of the mark and consider whether the mark has acquired distinctiveness as a result of this use. The applicant has not provided evidence of market share or the extent of the market for threaded inserts in general. I therefore do not accept that the applicant's trade mark has acquired a reputation, such that it should benefit from enhanced protection.

25) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin 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 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 more distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

26) Clearly, the specifications of both parties are effectively identical or at worst very similar. I now move to compare the marks of the two parties which are reproduced below for ease of reference.

Registered proprietors' mark	Applicant's mark
	RECOIL

27) It can be seen that both visually and aurally the marks share an identical ending in the word COIL. The beginnings of the two marks are visually very different and also the registered proprietors' mark has a degree of stylisation. I accept that between the

beginnings of the two marks, “VEE” and “RE”, there is a slight degree of aural similarity.

28) Conceptually, the applicant’s mark is a well known English word, whilst the registered proprietors’ mark would most likely be seen as VCOIL which has no meaning as a coil cannot be shaped like a letter “V” unless one is referring to the shape of the metal which is then wound into a coil.

29) In summary having regard to visual, aural and conceptual considerations, and making due allowance for the fact that the goods are effectively identical I have come to the view that there is no likelihood of confusion. I have also considered whether the public might nevertheless have reason to think that goods offered under the mark came from the same or economically linked undertaking. But again I have come to the view that this is unlikely to be the case. Accordingly the invalidity fails.

30) In view of the above I do not need to consider the question of acquiescence, although this could only have strengthened the registered proprietors’ case.

COSTS

31) As the applicant was unsuccessful the registered proprietors are entitled to a contribution towards their costs. I order the applicant to pay the registered proprietors 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 14th day of June 2006

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