

O-168-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2289544
BY ELIA INTERNATIONAL LIMITED
TO REGISTER THE TRADE MARK:**

ESSENCE

IN CLASS 21

AND

**THE OPPOSITION THERETO
UNDER NO 91392
BY KONINKLIJKE PHILIPS ELECTRONICS NV
BASED UPON THE EARLIER TRADE MARK:**

ESSENCE

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by Koninklijke Philips Electronics NV**

BACKGROUND

1) On 9 January 2002 Elia International Limited, which I will refer to as Elia, applied to register the trade mark **ESSENCE** (the trade mark). The application was published for opposition purposes in the “Trade Marks Journal” on 9 October 2002 with the following specification:

catering, office, household or kitchen utensils and containers; food and beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, plates, bowls, cups, mugs, tableware services; decorative containers of glass, ceramic or metal; vases; flower bowls; table decorations; strainers; salt cellars; pepper pots; coffee pots; napkin holders/rings; trays; shakers; scoops; trivets; heat resistant mats; ladles; sifters, shakers, flower holders; candlesticks; candle snuffers; none of the foregoing being goods of precious metal or coated therewith; none of the foregoing goods being electrically powered; parts and fittings for the aforesaid goods.

The above goods are in class 21 of the “International Classification of Goods and Services”.

2) On 7 January 2003 Koninklijke Philips Electronics NV, which I will refer to as Philips, filed a notice of opposition to the application. Philips is the owner of International trade mark registration no 717457 for the trade mark **ESSENCE**. The International registration has been granted protection in the United Kingdom for the following goods:

small electric domestic appliances, machines and articles, not included in other classes, including kitchen machines, electric blenders, electric mixers, electric hand held mixers, electric can openers, electric knives, electric blade sharpening

instruments; electric fruit presses and juice extractors; vacuum cleaners and hand-held vacuum cleaners;

small electric domestic cooking appliances and devices, including electric grills, bread toasters, stone grills, sandwich makers, sandwich toasters, coffee makers, deep fryers, water kettles; electronic gas lighters; microwave ovens.

The above goods are in classes 7 and 11 respectively of the “International Classification of Goods and Services”. The registration enjoys an international priority date of 16 February 1999.

3) Philips states that it is the proprietor of the trade mark ESSENCE in respect of the following appliances, accessories and parts and fittings:

food processors, coffee makers, kettles, cafetières, toasters, blenders, juicers, fryers, mixers, sandwich makers, sandwich toasters, flasks, jars, containers, jugs, bowls, coffee pots, non-stick plates, pushers, beakers, lids, whisks, dough hooks, bun warmer attachments, vacuum flasks, stainless steel flasks, slicers, stainless steel jugs, processor blades, filters, chopper attachments, emulsifying discs, shredders, beaters, kneading tools, citrus presses, shaping tools, mugs, cutters, juice extractors and filtering attachments, mincers and timers.

4) Philips states that the goods referred to above are household, domestic, kitchen and catering appliances and accessories, many of which will be found in the kitchen and rest room areas of offices and buildings for staff use in preparing their food and beverages.

5) Philips states that the following goods of the application are in conflict with the goods listed in paragraphs 2 and 3 above:

catering, office, household or kitchen utensils and containers; food and beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, plates, bowls, cups, mugs, decorative containers of glass, ceramic or metal; strainers; coffee pots; sifters; parts and fittings for the aforesaid goods.

It states that it is not opposing the other goods of the application.

6) Philips states:

“In particular the Opponent markets a coffee maker which includes a flask jug to keep the coffee hot, i.e. a flask. In other words the coffee maker is in fact a coffee pot (not electric) which doubles as a flask. Further it is clear that a coffee pot is a coffee maker and is a cafetière and that all are goods of the same description, perform the same function and are sold through the same outlets.”

7) Philips states that the registrar has failed to uphold the spirit and intention of the Trade Marks Registry work manuals regarding initial examination and classification, resulting in Elia believing that the registrar has already considered the issue and dealt with it by the exclusions to the specification of goods.

8) Philips states that it will submit in evidence the full application file indicating that the registrar did not object to the application under section 3(6) of the Trade Marks Act 1994 (the Act) “although the specification is not justified by use and the wording is so vague no one could give a definitive list of actual goods”. Philips states that the original and amended specification fail to meet the classification criteria set out in chapter 5, page 15, sections b, g and j. Philips states that on page 49 it is clearly stated that wide claims in class 21 should be justified. These would appear to be references to the Trade Marks Registry work manual.

9) Philips states that it will submit in evidence that the registrar failed to uphold a conflicting citation ie ESSENCE when the citation should have been maintained and the application refused unless the applicant obtained and filed Philips’ written consent.

10) Philips states that ESSENCE for, inter alia, coffee pots or flasks marketed by Elia does not distinguish those goods from the same or similar goods under the same trade mark, marketed by Philips. The application does not meet the criteria set out in section 1(1) of the Act.

11) Philips states that:

“ESSENCE and ESSENCE are identical and used for coffee pots, whether incorporating an electric element or heated as an electric stove or heater, the goods are deemed to be identical and the Application should be refused under Section 5(1) of the Act.”

12) Philips states that the respective trade marks are identical and the respective goods similar. Consequently, the application should be refused as per section 5(2)(a) of the Act.

13) Philips states that in the alternative it has used the trade mark ESSENCE in respect of the goods listed in paragraph 3 above since September 1998. Registration of the application would be contrary to section 5(4)(a) of the Act, the particular rule of law being the law of passing-off.

14) Philips requests that the application be refused in part and seeks an award of costs.

15) Elia filed a counterstatement. Elia denies the grounds of opposition. It states it does not feel able to contribute to the grounds referred to in paragraph 7 above as this is apparently directed to the register and refers to the “spirit and intention of the Trade Mark Registry Work Manuals”. In relation to paragraph 8 of the grounds of opposition, Elia states that Philips should justify the assertion of bad faith or withdraw it. Elia also requires Philips to indicate what is supposed to be meant by “not justified by use” and to

identify the vague wording which is referred to. Elia states that paragraphs 7, 8 and 9 are so worded that it would appear that the registrar is being made a party to the proceedings.

16) Elia seeks the rejection of the opposition and an award of costs.

17) Only Philips filed evidence. A hearing took place on 3 June 2004. Elia was represented by Mr Rock of Rock & Co. Philips was not represented and did not furnish written submissions.

EVIDENCE

18) This consists of a statutory declaration by Eric Kenneth Hanson. Mr Hanson is the trade mark attorney for Philips and Philips Electronics UK Limited, which I will refer to as PEUK. PEUK is a subsidiary undertaking of Philips.

19) Philips has a range of products which are colour coded, one of these is the ESSENCE range. This range differs in design as well as colour from other ranges. The ESSENCE range was put together during 1998 and samples were introduced to the trade in the latter part of that year and the beginning of 1999. Exhibited at EKH2 is a copy of meeting notes for Comet Range Review of 7 January 1999. There is a reference to the ESSENCE range, specific reference is made to a kettle. Mr Hanson states that the ESSENCE range includes coffee makers, electronic weighing scales, blenders, toasters (sandwich makers), deep fryers, juice extractors, food processors, hand-held mixer/blenders, hand-held electric mixers and kettles. Mr Hanson indicates that these goods are in international classes 11, 9, 7, 11, 11, 7, 7, 21, 7 and 11 respectively. He states that included with these products are ESSENCE accessories, tools, implements, containers, scoops, beakers, coffee pots, vacuum jugs and other parts and other parts and fittings which are in class 21 as follows:

electric portable blender/mixer	vacuum jug
filters	jugs
spoon (scoop)	dust cover
press cone	sieve
beaker	lids
bowls	crumb trays
toast rack	beaters
balloon beaters	whisks
glass jars	blender jar
pushers	citrus press
kneaders	shredders
mincers	mugs
measuring jugs	dough hooks
coffee pots	cutting and shredding discs and wheels
shaping tools	

Mr Hanson states that it is clear that the above goods fall within international classes 7, 9, 11 and 21. He states that Philips is the proprietor of the above ESSENCE goods which are not encompassed by the international registration.

20) Exhibited at EKH3 are extracts from the Registry's classification index, downloaded on 27 July 2003, for various goods in class 21. The following "hits", inter alia, are highlighted: blenders, non-electric, for household purposes; portable electric blenders (hand operated kitchen machines), vacuum jugs (non-electric); vacuum flasks for holding drinks; vacuum flasks for holding food; vacuum flasks for household use; non-electric coffee-pots (other than of precious metal); coffee makers (non-electric); cafetières, coffee grinders, hand operated; coffee mills (hand operated); cutting wheels (hand operated); cutting wheels (hand operated) for cutting food; mechanical instruments (hand operated) for vacuum cleaning floors, pepper mills (hand operated and other than of precious metals; shredders (hand operated), for kitchen use; kitchen mixers, non-electric; mixers (non-electric) for mixing food; mixers, manual (cocktail shakers); glass jars; jars for household use (not of precious metal); vacuum jars; jugs, not of precious metal; coffee filters, non-electric; tea filters (other than of precious metal); beaters, non-electric; shredders (hand operated) for kitchen use; combined lids for containers (non-metallic for household use); pot lids. Also included in the printouts are various references to electrical goods that are identified as being in class 21 such as tie presses, portable electric blenders, toothbrushes.

21) Exhibited at EKH4 is various printed matter, including promotional material, handbooks and service manuals. A good deal of the material does not have a date of publication or shows a date after the material date eg the pages downloaded from the Philips' website on 22 July 2003. This material does not tell me what the position was at the material date. The material shows use of Philips as well as ESSENCE. Parts of the service manuals have been highlighted, where they refer to parts. These services manuals are clearly not for the public. The parts are identified by reference to a reference number to the product and then a service code. So, for instance, a blender cover for an ESSENCE food processor is identified first by HR 7756/01 and then 4203 065 63470. The only material that can be clearly identified as emanating from prior to the material date are copies of catalogues for Philips' products, pages from Argos catalogues and an advertisement, the origin of which is not identified, which has 14/10/99 written by hand upon it. From the contents of the advertisement it would appear to be a flyer for the trade. It refers to an ESSENCE kettle, an ESSENCE toaster, an ESSENCE coffee maker and an ESSENCE citrus press. The products are shown. They are all clearly electrical and bear the Philips trade mark as well as ESSENCE. The products shown are: a citrus press, a coffee maker, a jug kettle, a blender bar (a type of electrical handheld beater it would appear from the picture), a blender bar with chopper, a toaster and a hand mixer. In the Philips 2002 catalogue the following also appear: toaster/sandwich maker, blender, food processor, combined blender, food processor and kneading and mixing machine. It is impossible to tell from the catalogue, which is for the trade only, when it was issued or when the products were put on the market. As the application was filed on 9 January 2002, it being the beginning of the year, this is of importance. The pages from the Argos catalogue show Philips kettles. The page from the catalogue for autumn/winter 2000

refers to Philips ESSENCE, the other pages simply refer to Philips. All of the goods shown are electrical.

22) Mr Hanson states:

“Samples of an ESSENCE hand-held blender, a toaster [sandwich maker], a kettle, a smart blender, coffee makers [2] and a processor have been lodged with Law Section as visual aids to the ESSENCE case. Attention is brought to the packaging which includes graphics of the accessories and visual parts and fittings as well as the context matter printed thereon. The Applicant and the Trade Mark Attorney may inspect the samples at their will.”

The concept of samples being lodged as visual aids is not something I have come across before. There is a very well established system for bringing matter such as this into proceedings, it should be exhibited and a copy of the exhibit furnished to the other side. I do not wish to be captious but if Philips wished these goods to be part of the proceedings it should have exhibited them in the normal fashion. Philips is placing an inconvenience and an onus upon the other side if it wishes to inspect the samples. There is no suggestion that the samples are unique, so there should have been no problem in furnishing copies. I do not consider that anything turns upon these samples. However, as they have not been properly entered into the proceedings, I will take no cognisance upon them in my decision.

23) Mr Hanson states that PEUK has promoted the ESSENCE range throughout the United Kingdom and has engaged the services of a popular celebrity chef to promote the products. He does not state when this promotion commenced. However, from the material exhibited at EKH5 this would appear to have taken place some time in 2002. The celebrity chef is Tony Tobin. Mr Hanson states that the goods are available in shops such as Argos and Comet, DIY stores and warehouses, department stores, high street electrical retailers and mail order catalogues as well as Internet sales sites.

24) Exhibited at EKH5 are extracts from newspapers and magazines. A reasonable part of the material emanates from after the material date and I will say no more about it. The matter emanating from before the material date shows the use of Philips ESSENCE in relation to a sandwich maker/toaster, a coffee maker, a citrus press, a kettle, a hand mixer, a filter jug kettle, a blender bar, a hand blender, a hand mixer; all of the goods are electrical. From the number of articles from a variety of publications, the majority with a national circulation, it is clear that from the beginning of 2000 the Philips ESSENCE brand was in the market place and before consumers. ESSENCE is invariably identified with Philips and has the rôle of a sub-brand rather than a stand-alone brand.

25) The following amounts were spent on advertising the ESSENCE brand up to the material date:

1999:	£128,000
2000:	£64,000
2001:	£31,000

Turnover figures for these years are:

1999:	£444,699
2000:	£859,614
2001:	£898,384

26) Mr Hanson states that he received notification from a watching agency about the application. He approached Rock and Company about the application. Mr Hanson exhibits at EKH7 a letter dated 13 December 2002 from Rock and Company in relation to this application. The meat of the letter is the following:

“In view of:

the deletion, during prosecution, of the Class 11 specification (that is to say the class relating to powered apparatus, equipment and devices); and
the specific disclaimer of goods being electrically powered in the Class 21 specification;
my client is unwilling to remove the references to coffee pots, thermally insulated containers or vacuum flasks.

It is regretted that on this occasion we are unable to offer to accommodate your client. However the Registry having cited your clients International Registration M717457 accepted the subsequent amendment leading to the current version of the Class 21 specification. Consequently we believe that our client’s view that the present specification represents a reasonable compromise is well founded.”

27) Mr Hanson states that the Registry was “duly informed” and refused to consider that the application had been accepted in error or withdraw the application from acceptance pending re-examination. He states that he was advised that it was too late to file an observation letter as it would not be considered until after the opposition had been decided. He states that the only option open was to file an opposition.

28) Mr Hanson exhibits at EKH8 a copy of the examination file. He makes various comments about what he considers the examiner should have done. I do not see that this has any bearing upon this inter partes case. He also makes comments about the nature of the examination in relation to the classification. Again, I cannot see that this has any bearing upon an inter partes matter. Mr Hanson submits that Elia would be better served if “catering, office” were replaced by wording which “may describe the bona fide goods of the Applicant in Class 21”. Mr Hanson goes on to make further comments about what he considers the examiner should have done. Again, not a matter that is of relevance to inter partes proceedings.

29) Mr Hanson states that Elia stated on the application form that the trade mark ESSENCE is being used or there is a bona fide intention that it will be used in relation to the goods claimed in classes 11 and 21. He states that at the time of the application Philips was the registered proprietor in class 11 and for the goods set out in paragraph 19

above. Mr Hanson states that the claim to proprietorship by Elia was therefore invalid. Mr Hanson submits that Elia did not carry out an adequate clearance search. He goes on to say that of twenty eight applications filed on 9 January 2002 approximately half attracted citations resulting in amendments, and there are two oppositions pending (including this one).

30) Exhibited at EKH11 is a price list and catalogue of Elia for 2002. Mr Hanson draws attention to pages 44 to 53 of the catalogue which show various coffee and tea makers, insulated servers, tea/coffee pots, vacuum beverage decanters and jugs. He also draws attention to the statement in the catalogue that the vacuum beverage decanters are suitable for use with most commercial machines. At page 25 of the catalogue ESSENCE is used, with the trade mark ELIA, for cutlery. Exhibited at EKH12 are pages downloaded from the Internet showing various types of coffee making apparatus eg cafetières, electrical coffee making machines, coffee pots. Various pages show the non-powered coffee makers and powered coffee makers on the same pages. I cannot see that any of the brands are used for both electrical coffee makers and non-electrical coffee makers. Included in the exhibit are printouts showing electric condiment grinders and blenders. Finally, there are definitions of blender, mix, whisk, beat and blend exhibited.

31) The rest of the declaration represents submission rather than evidence of fact and so I will say no more about it here. I bear the submissions in mind in reaching my decision and if necessary will refer to them in my decision.

DECISION

Preliminary matter

32) Parts of both Philips' statement of grounds and its evidence deals with what it clearly considers as failings and/or errors at the examination stage. There are mechanisms for dealing with such matters. Third party observations can be made up to registration under section 38(3) of the Act. There are also well publicised routes for complaints. An opposition is a matter between two sides. The registrar is acting as an independent tribunal. It is neither possible nor appropriate to mix into a dispute between two sides complaints about how the application has been examined. Elia pointed this out in its counterstatement and is completely correct. I have to decide the issues before me on the basis of the application as it stands, the statement of grounds and the evidence submitted.

Section 1(1) of the Act

33) Section 1(1) of the Act states:

“(1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

Section 1(1) of the Act is a definition of a trade mark. I cannot see that it represents a ground of opposition. In its evidence Philips refers to section 3(1)(a) of the Act. I assume that this is in fact the basis of the opposition. Philips has made no request to amend its grounds of opposition. However, I will deal with this head of opposition as if it were under section 3(1)(a) of the Act, which states:

“(1) The following shall not be registered——

(a) signs which do not satisfy the requirements of section 1(1)”.

34) Philips opposition under section 3(1)(a) is based on the existence of its own trade mark. It is a relative ground. Section 3(1)(a) is about the actual nature of the trade mark, not about one trade mark in comparison with another trade mark. Is there something in the trade mark ESSENCE, regardless of whom the owner is, which makes it fall foul of section 3(1)(a) of the Act? In *Philips Electronics NV v Remington Consumer Products Ltd* [2003] RPC 2 the European Court of Justice held that:

“It is true that Art.3(1)(a) of the Directive provides that signs which cannot constitute a trade mark are to be refused registration or if registered are liable to be declared invalid.”

Philips has to establish that ESSENCE cannot constitute a trade mark, not that it might be liable to objection by reason of earlier rights. I can see no reason why it cannot. It is certainly graphically represented. Philips has put in no evidence to show why the sign ESSENCE cannot constitute a trade mark. The nature of the trade mark needs to be such that its failings can never be “cured” by use, it is Bach Flower Remedies for Bach Flower Remedies (see *Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513); section 3(1)(a) of the Act is not included in the proviso, hence the impossibility to “cure” by use. The basic premise of Philips’ argument under section 3(1)(a) of the Act is fatally and fundamentally flawed.

35) The ground of opposition under section 1(1) (section 3(1)(a)) of the Act is dismissed.

Section 3(6) of the Act – bad faith

36) According to section 3(6) of the Act:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

37) Lindsay J in *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 167 stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealings which fall short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

38) I have had some difficulty in understanding the basis of the objection under section 3(6) of the Act. Elia also expressed doubts about the nature of this ground in its counterstatement. I have every sympathy with it. In its evidence Philips seems to try and shift the ground to the basis that Elia did not own the trade mark and it should have conducted a clearance search. I can only consider the ground as pleaded. Even if I considered the shift of the basis, as suggested in the evidence, Philips would not do any better. I cannot see how a claim that an application was made in bad faith can succeed because of the nature of the clearance search of an applicant or simply because in respect of certain goods someone else has an earlier right. The logic of this would appear to be that any successful opposition based on relative grounds must bring with it an objection under section 3(6).

39) As far as I can understand the ground, as pleaded, it seems to be based on the claimed vagueness of the specification and an intention to use. I assume in the case of the latter Philips is in fact praying in aid to section 32(3) of the Act, which states:

“The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

40) Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA and Soremartec SA v Soldan Holding & Bonbonspezialitäten GmbH* BL 0/279/03 stated:

“I am unable to accept these submissions. Gromax makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a *bona fide* intention that it should be so used. Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in *De La Mer*, and he evidently had well in mind the difference in approach of OHIM as revealed by *Trillium*.

It is convenient at this point to deal with the further submission made by the Registered Proprietors that section 32(3) of the Act is ultra vires in that it seeks to impose an improper restriction on the term “bad faith” as it is used in section 3(6) of the Act. I do not accept this submission. It is indeed true that there is no equivalent of section 32(3) of the 1994 Act in the Directive but nevertheless, like Mr. Hobbs QC in *Demon Ale*, I see no reason to doubt that section 32(3) is compatible with Community Law. On the contrary, the eighth recital of the Directive expressly recognises the public interest in requiring that registered trade marks must actually be used. The same public interest was recognised by Jacob J. in clear terms in *De la Mer*.”

In *Knoll AG’s Trade Mark* [2003] RPC 10 Neuberger J stated:

“All I would say is that the fact that there is no equivalent of s.32(3) of the 1994 Act in the Directive means that this Court should be reluctant, rather than eager, to find in favour of the sort of argument raised by the claimant here.”

Section 32(3) can form a basis for a claim of bad faith. However, as held by Neuberger J caution should be had in finding bad faith under this head. I cannot see how making an application with a specification which is claimed to be vague can represent an act of bad faith. It might be unhelpful, it might be open to query or challenge but that, in my view, can in no way be tantamount to having made the application in bad faith. Where does the bad faith actually lay? In this case Philips has put forward no evidence to justify its claim, if that is what it is claiming. It has not made out a prima facie case. It is for Philips to establish its case. It has completely failed so to do.

41) The ground of opposition under section 3(6) of the Act is dismissed.

Section 5(1) of the Act – identity of trade marks and goods

42) Section 5(1) of the Act states:

“(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

The term ‘earlier trade mark’ is defined in section 6(1) of the Act as follows:

“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”.

Philips’ trade mark is an earlier trade mark within the terms of section 6(1) of the Act.

43) That the respective trade marks are identical is patently obvious. The goods upon which Philips bases its opposition are in classes 7 and 11, the goods of the application are in class 21. The issue of the effect of the claimed class in a specification was dealt with by the Court of Appeal in *Altecnic Ltd's Trade Mark Application* [2002] RPC 34. In that case Mummery LJ held:

“41 In my judgment the legal position in this case may be briefly stated:

(a) Altecnic made an application to register "CAREMIX" as a trade mark in relation to goods. On the Form TM3 it specified the goods in question both by reference to the Class number 7 and to a list of goods, which in its original state cross-referred to Class number 7 by incorporating into the list of goods "all other goods/services in this Class".

(b) The deletion of the words "all other goods/services in this Class" as requested in the letter of March 27, 1997 was permissible under section 39(1), as Altecnic was thereby restricting the goods covered by the application to those expressly described in the list. Such restrictions and withdrawals are not subject to the express limitations on amendments contained in section 39(2).

(c) Class number 7 rightly remained in the column for Class numbers even on deletion of the words "all other goods/services in this Class", because there was no request at that stage to substitute a different Class number or to add another Class number. Class number 7 was still part of Altecnic's application in the context of the "Specification of goods". The fact that the system of classes of goods is for the purposes of administrative convenience or that the identification of a Class number serves such purposes does not prevent the statement of the Class number from being part of the application, which can only be amended in accordance with the provisions of the 1994 Act and the Rules.

(d) Altecnic's letter of May 16, 1977 was expressed as a "request that this application is transferred to Class 11 for the specification of goods as filed". Although not in terms described as such, it was in substance an amendment of the application. The reference to Class 7 in the column for the Class number was to be deleted and a reference to Class 11 inserted in its place. In the ordinary sense of the language of section 39 the application was "amended, at the request of the applicant". That could only be properly done to correct one or more of the matters specified in (a), (b) or (c) of subsection (2) of section 39. The fact that the exercise was described by the Registry in its letter of June 19, 1997 as arranging "for this application to be immediately transferred to the correct class" does not make the alteration to the application in Form TM3 any the less an amendment of the application.

(e) That amendment of the application, at the request of the applicant, was not permissible, because it did not fall within any of the three types of correction allowed under section 39(2)(a), (b) or (c). It could not be said to be a case of an "obvious mistake", as valves do fall within Class 7. The position might well be different if none of the particular goods expressly described in the "Specification of goods" column fell within goods contained in the Class number given in the "Class number" column of Form TM3. Such a case might reasonably be described

as one of an "obvious mistake" in the selection of the Class number and the Class number could accordingly be corrected. Even in those circumstances, however, the amendment of the application could only be made under section 39(2) and not simply by virtue of a determination of a question under section 34 of the 1994 Act.

(f) On the facts of this case section 34 of the 1994 Act cannot be relied on as authorising the deletion of Class 7 from the application and the insertion of Class number 11 in the application. It is clear from the correspondence and other documents, read in their contextual setting, that the registrar was acceding to a request to amend the application. He was not simply being asked by Altecnic to exercise his discretion under section 34 to determine a question arising as to the class within which the goods fall. Even if he was being asked by Altecnic to make that determination, such determination alone did not suffice for Altecnic's purposes. The determination might, for example, be a prelude to a fresh application for registration in relation to goods in a different class. In most situations that would not cause any problem. But in the circumstances of this case Altecnic does not want to make a fresh application for Class 11, which would post date the application of Reliance for the same mark, and lose its priority. It is clear that it was seeking to amend the existing application, which it was only entitled to do in a case falling within section 39(2). As already explained, this was not such a case.

42 This result is not inconsistent with the approach in the current general practice of the Registry nor, as I understand it, with the general practice of OHIM in dealing with amendments to an application by treating the Class number in the application for registration as part of the application. In my judgment, the registrar is entitled to treat the Class number in the application as relevant to the interpretation of the scope of the application, for example, in the case of an ambiguity in the list of the specification of goods. The application is a considered statement of the applicant which, on ordinary principles of the construction of documents, has to be read as a whole to determine its meaning and effect. The fact that the internationally agreed Nice Classification System has been devised to "serve exclusively administrative purposes" (see, for example, rule 2(4) of the Commission Regulation 2868/95 E.C.) does not mean that the selection by the applicant of one or more Class numbers in his application for registration has to be totally ignored in deciding, as a matter of the construction of the application, what the application is for and whether it can properly be amended. I would reject the submission of Mr Purvis that it is only permissible to take account of the Class number when it is expressly (or implicitly) referred to in the description of the "Specification of goods" column of Form TM3, as in the examples helpfully discussed by Jacob J. in *British Sugar Plc v. James Robertson & Sons Limited* [1996] R.P.C. 281 at page 289 (*e.g.* consideration of the relevance of the practice of the registrar at the date of registration of adding to the list "All included in this class" and "All included in class X"). That kind of case is no doubt a stronger one for interpretation of the application by reference to the Class number, but I fail to see why it should be the only kind of case in which the Class number can be taken

into account by the registrar or why the registrar should have to ignore the Class number which the applicant (or his advisers on his behalf) have inserted in the Form TM3 as part of the required expression of the applicant's case in relation to the registration of the trade mark.”

The relevance of the class of the goods is also something that was dealt with in *GE* [1969] RPC 418 at 458-459. The reason that goods and services are in different classes is because they are different. The differences might be great or small but any difference means a lack of identity. Consequently, as the respective goods are in different classes, they cannot be identical. **The ground of opposition under section 5(1) of the Act is dismissed.**

Section 5(2)(a) of the Act – likelihood of confusion

44) Section 5(2)(a) of the Act states:

“2) A trade mark shall not be registered if because——

(a) it is identical with an earlier trade mark and is to be registered for goods or services 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.”

45) In determining the question under section 5(2)(a), 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] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

46) The respective trade marks are identical. The question before me, therefore, initially reduces down to whether the respective goods are similar.

47) In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services 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 or services in the same or different sectors.”

48) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, the European Court of Justice held in relation to the assessment of the similarity of goods and services that the following factors, inter alia, should be taken into account: their nature, their end users and their method of use and whether they are in competition with each other or are complementary. I do not consider that there is any dissonance between the two tests. However, taking into account the judgment of the European Court of Justice, it is necessary to consider whether the goods and services are complementary.

49) Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I also bear in mind the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* where he stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of the goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34).

Although it dealt with a non-use issue I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32 are also useful to bear in mind:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus the court should inform itself of the

nature of trade and then decide how the notional consumer would describe such use.”

50) The goods of the application under attack are:

catering, office, household or kitchen utensils and containers; food and beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, plates, bowls, cups, mugs, decorative containers of glass, ceramic or metal; strainers; coffee pots; sifters; parts and fittings for the aforesaid goods.

The goods of the earlier registration are:

small electric domestic appliances, machines and articles, not included in other classes, including kitchen machines, electric blenders, electric mixers, electric hand held mixers, electric can openers, electric knives, electric blade sharpening instruments; electric fruit presses and juice extractors; vacuum cleaners and hand-held vacuum cleaners;

small electric domestic cooking appliances and devices, including electric grills, bread toasters, stone grills, sandwich makers, sandwich toasters, coffee makers, deep fryers, water kettles; electronic gas lighters; microwave ovens.

51) One of the prongs of the arguments of Philips is that as the goods of the earlier registration might contain parts or fittings which appear in the specification of the application, the goods must be similar. The most extreme side of this argument can be seen in the highlighting of parts in the exploded representation of the goods from service manuals. The logic of this argument does not fall within the parameters set out by *British Sugar Plc v James Robertson & Sons Limited* and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* It also falls on the basis of commonsense. On the basis of the logic of Philips the standard motor car will be similar to lighting apparatus, computers, wiring, screws, metal profiles, upholstery, carpets etc, etc. That a finished product contains components does not make it similar to the components. (Of course, Philips’ specification does not include parts and fittings and even if it did they would be limited to parts and fittings within the class.) Philips also points to such things as a scoop supplied with a coffee making machine. If Philips wants protection for scoops it should apply for scoops.

52) It is, therefore, my intention to consider the issue of similarity on the basis of the criteria of *British Sugar Plc v James Robertson & Sons Limited* and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* Philips has, helpfully, identified various goods that appear in class 21 and might be encompassed by the specification of the application. I accept that the phrase *catering, office, household or kitchen utensils and containers* is vague, especially in relation to the office part of the specification. (Equally the term *small electric domestic appliances* of the earlier registration is pretty vague.) Taking into account the jurisprudence I must take into account what such a phrase, and all the other

parts of the specification, might reasonably be taken to mean. I cannot give them “an unnaturally narrow meaning”. The evidence of Philips, inter alia through Elia’s own catalogue, shows the breadth of goods that could be covered by the word containers. There is no clear demarcation line, for instance, between containers for hot beverages and coffee pots. The catalogue shows them as interchangeable and/or identical. The term utensils, within the class, will cover a wide variety of goods also, as shown by the evidence of Philips. It can cover such things as hand beaters and food shredders. A lot of the goods that will be covered by the specification of the application will be non-electrical forms of the goods of the earlier registration eg coffee makers, shredders and mixers. It is not necessarily the case that goods that are powered are similar to goods that are manual forms of the same goods. However, if one applies the *British Sugar Plc v James Robertson & Sons Limited* and *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* tests, they certainly coincide in respect of purpose, end user, which will be defined by the purpose of use and are likely to be in competition. One, for instance, could choose between a cafetière and an electrical coffee maker. Philips has put in evidence to show that coffee makers of all types appear together on web pages, demonstrating a common channel of trade. In my own experience other electrical goods, generally, are not found in the same place as their mechanical counterparts in shops; so a mechanical chopper will not normally be in the same area as an electrical one. Certainly, Philips strongest evidence relates to the common channel of trade, through the Internet, of coffee makers. There is an absence of evidence that the powered and the non-powered products commonly use the same brands but I do not see that this has a great bearing upon the objective analysis of the similarity of the goods.

53) The terms *catering, office, household or containers; beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, decorative containers of glass, ceramic or metal* can all reasonably be taken to encompass containers and dispensers for coffee. The evidence shows that such containers and dispensers are either coffee makers or coffee dispensers; it is very difficult to draw a line, again based upon the evidence and in particular Elia’s own catalogue, between the goods. The similarity of *coffee pots* to coffee makers is self-evident. *Catering, office, household or kitchen utensils* is a term that encompasses a huge amount of goods. Taking into account that these *office* utensils must be within the parameters of class 21 and so be for the sorts of things that are found in that class, this part of the specification will include such things as non-electric kitchen mixers and blenders. (It is not a conclusion that I am particularly happy to draw. The very term sits ill within the context of class 21. However, it is in there and I have to make the best I can of it.) The similarities with the goods of the earlier registration exist again on the basis of the end users, the purpose of the goods and that they are in competition.

54) This leaves *food containers; plates, bowls, cups, mugs; strainers; sifters; parts and fittings for the aforesaid goods* to consider. I cannot see any point where these goods coincide with the those of the Philips’ registration in any meaningful sense. You may pour coffee into a mug, for example, but I do not consider that can be taken as representing similarity. You can get insulated mugs but they are still mugs, drinking vessels, not coffee makers; a mug is not a flask.

55) Taking into account all the above, I find that there is similarity between the goods of the earlier registration and the following goods of the application:

catering, office, household or kitchen utensils and containers; beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, decorative containers of glass, ceramic or metal; coffee pots.

The specification includes portmanteau terms that cover a variety of goods, some or many of which may not be similar to the goods of the earlier registration. However, I cannot decide which particular goods are of interest to Elia. It must stand or fall by its specification and whether the specification encompasses similar goods.

56) In considering whether there is a likelihood of confusion a variety of factors have to be taken into account. The European Court of Justice held that a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In this case the respective trade marks are identical. As the trade marks are identical I do not see that anything turns upon the distinctiveness of the earlier trade mark or the nature of the purchasing decision. These matters come into play where there is some difference between the trade marks that may allow for the trade marks to be distinguished from each other. For the coffee making goods the evidence of Philips points to a high degree of similarity. For the other goods, in application of the jurisprudence, there is similarity. There are, of course, dissimilarities; none of the goods of Elia are electrically powered. There is a danger in comparing goods to make a slavish totting up of points on the basis of the jurisprudence and coming to a conclusion that might not reflect the reality in the marketplace. The difference between an electrically operated utensil and a manual one can be quite noticeable; as anyone beating egg whites for a meringue or soufflé will know. Taking into account the identity of the trade marks, I am of the view that the average consumer will believe that the similar goods of Elia come from the same or an economically linked undertaking as those of the earlier trade mark and consequently there is a likelihood of confusion.

57) The application is to be refused under section 5(2)(a) in respect of :

catering, office, household or kitchen utensils and containers; beverage containers; containers for dispensing liquids; thermally insulated containers; vacuum flasks including ones of metal; flasks, decorative containers of glass, ceramic or metal; coffee pots.

Section 5(4)(a) of the Act – passing-off

58) Section 5(4)(a) of the Act states:

“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;”

59) 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:

"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 *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 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 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."

.....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.””

60) Philips seems to misunderstand the nature of passing-off to some extent. Its statement of grounds referred to in paragraph 3 and 13 above indicate that it believes that it owns an unregistered trade mark. A concept that does not exist under the law of passing-off. Laddie J in *Inter Lotto (UK) Ltd v Camelot Group Plc* [2004] RPC8 stated:

“18 Much the same thing was said by Parker J. in a well known passage in *Burberry's v Cording* (1900) 26 R.P.C. 693:

"The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other's injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but property in the trade or good-will which will be injured by its use."

19 The ambit of the cause of action may well have expanded, but not in a way which has any impact on the issues I have to consider. The above passages are of significance because they are early examples of the courts highlighting one of the crucial differences between passing off and trade mark rights. Under the former, the claimant acquires no property in his name or mark. The cause of action is dependent on deception of the customer. Misappropriation of the name or mark by the defendant may be the means by which that deception has been facilitated, but that does not mean that the claimant owns the mark.”

61) The first matter that I have to consider is whether at the material date Philips had a goodwill which was related to the sign ESSENCE. To decide this it is necessary to establish the material date. It is well established that the material date for passing-off is

the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

The relevant date cannot, therefore, be later than the date of the application for registration. There is no evidence of Elia having used the trade mark upon the goods of the application prior to the date of application. Consequently, the material date is the date of the application, 9 January 2002.

62) Pumfrey J in *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the 1938 Act (see *Smith Hayden (OVAX)* (1946) 63 RPC 97 As qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."

63) There is no direct evidence from the trade or the public. However, there is evidence showing use of the sign ESSENCE, invariably within the “context” of the Philips house mark, in a variety of publications. I am of the view that Philips has established that it had a goodwill associated with the signs PHILIPS and ESSENCE, used in conjunction, at the material date. The use established for these signs is for a coffee maker, a toaster, a sandwich maker/toaster, a citrus press, a kettle, a hand mixer, a filter jug kettle, a blender bar, a hand blender and a hand mixer; all of these goods are electrical.

64) Taking into account the nature and the extent of the usage by Philips, I cannot see that it can be in any better a position under section 5(4)(a) than under section 5(2)(a). Passing-off does not require similarity of goods, however, whether there is a common field of activity does have an effect (see *Harrods v Harrodian School* [1996] RPC 697 and *Stringfellow v McCain Foods (GB) Ltd* [1984] RPC 501). The evidence of use shown by Philips certainly does not bring this case within the bounds of *Lego Systems*

A/S v Lego M Lemelstrich Ltd [1983] FSR 155. As Philips cannot do any better under the law of passing-off, I will say no more about this head of damage.

Conclusion

65) Philips only attacked certain of the goods of the application and was for the most part successful in its attack on these goods. Elia should file, within one month of the expiry of the appeal period from this decision, a form TM21 to amend the specification of the application to read as follows:

food containers; plates, bowls, cups, mugs, tableware services; vases; flower bowls; table decorations; strainers; salt cellars; pepper pots; napkin holders/rings; trays; shakers; scoops; trivets; heat resistant mats; ladles; sifters, shakers, flower holders; candlesticks; candle snuffers; none of the foregoing being goods of precious metal or coated therewith; none of the foregoing goods being electrically powered; parts and fittings for the aforesaid goods.

If no form TM21 is filed within the period set the application will be refused in its entirety. (If an appeal is filed the period for filing the form TM21 will be one month from the final determination of the case, if the appeal is unsuccessful.)

66) It was very difficult to understand the section 3(6) ground of opposition, a matter that Elia raised. The section 3(6), 1(1) and 5(1) grounds were all dismissed. If Elia had put in any evidence I may have been minded to take account of these matters in an award of costs. However, Elia did not file any evidence. A hearing was recommended by the officer reviewing the case because of the cryptic nature of the section 3(6) ground. However, this fact was not advised to the sides. Taking all these factors into account I do not consider that it would be appropriate to diverge from the norm in relation to costs. **I order Elia International Limited to pay Koninklijke Philips Electronics NV the sum of £1200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.**

Dated this 10th day of June 2004

**David Landau
For the Registrar
the Comptroller-General**