

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2215854
BY AORTECH EUROPE LIMITED
TO REGISTER A TRADE MARK IN CLASS 10**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 50981
BY ELA MEDICAL**

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**IN THE MATTER OF Application No 2215854
by AorTech Europe Limited to register a
Trade Mark in Class 10**

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**IN THE MATTER OF Opposition thereto
under No 50981 by Ela Medical**

BACKGROUND

1. On 1 December 1999 AorTech Europe Limited applied to register the trade mark ELAN in Class 10 of the Register for a specification of:- "Surgical, medical and cardiovascular apparatus; synthetic and non-synthetic heart valve prosthesis, catheters, implants, access parts and fittings for all the aforesaid goods, all included in Class 10".

2. The application was accepted by the Registrar and published in the Trade Marks Journal. On 16 May 2000 J A Kemp & Co., on behalf of Ela Medical, filed Notice of Opposition against the application on the following grounds:-

(i) Under Section 5(2)(b) of the Act because the mark is similar to the following earlier international registered trade mark (protected in the UK) owned by the opponent and is to be registered for the same and similar goods and there is therefore a likelihood of confusion on the part of the public:-

NUMBER	MARK	DATE OF PROTECTION IN UK	GOODS
720667	ELA	27 SEPTEMBER 1999	Class 10 - Surgical, medical, odontological and veterinary apparatus and instruments and in particular, heart pacemakers.

(ii) Under Section 5(4)(a) of the Act by virtue of the law of passing off as a result of the opponents use, reputation and goodwill of their trade mark ELA in the UK.

3. The applicants, through their agents Murgitroyd & Company, filed a Counterstatement denying the grounds of opposition. Both sides filed evidence and asked for an award of costs in their favour. Neither party requested a hearing.

Opponent's Evidence

4. This consists of a statutory declaration by Martyn Dixon dated 7 May 2001. Mr Dixon is the General Manager of ELA Medical (UK) Limited, a subsidiary of ELA Medical, the opponents in these proceedings.

5. Mr Dixon states that his company have used the mark ELA in the UK on a significant scale since 1975 in relation to pace making apparatus, pulse generators and defibrillators and parts and fittings for these goods. He draws attention to Exhibit MD1 to his declaration which comprises a bundle of various materials showing the manner in which the mark ELA is used in the UK. He lists the materials as:

- i. an undated brochure referring to an implantable single-chamber pulse generator;
- ii. an undated information sheet relating to a single chamber cardiac pacemaker;
- iii. a brochure from 1994 referring to a single-chamber rate responsive pacemaker;
- iv. a brochure dated 1998 referring to an auto-calibrating cardiac pacemaker;
- v. a brochure dated 1998 containing reports written by Z Michael Benedek, PhD and Jay Gross MD concerning rate modulated pacemakers;
- vi. two information sheets dated 1988 concerning programmable pacemakers;
- vii. a product performance report from 2000 concerning pulse generators and pacing leads.

6. Mr Dixon goes on to state that the potential market for his company's products is relatively small and that the only target market is the cardiology departments of hospitals. He then refers to sales of products sold under the ELA mark in the UK and provides the following details:-

<u>Year</u>	<u>Amount £</u>	<u>Number of Units Sold</u>
2000	3.5 million	2900
1999	2.5 million	2000
1998	2.0 million	1600
1997	1.5 million	1300
1996	1.0 million	1000

7. Mr Dixon explains that his company promotes the goods sold under the ELA mark through a variety of methods including attendance at the Annual Exhibition and Congress of the British Cardiac Society which has been attended every year from 1994 to the present. He adds that the ELA brand is also promoted through direct mailings to all UK cardiology departments and through advertising in the specialist trade press, namely in the medical journals Cardiology

News and Pace. An example of a typical direct mailing and advertisements of products, as appearing in Cardiology News and Pace are at Exhibit MD/2 to Mr Dixon's declaration. Mr Dixon goes on to provide the following details of the amount spent by his company in advertising and promoting the mark ELA in the United Kingdom:

<u>Year</u>	<u>Advertising Expenditure £</u>	<u>Promotional Expenditure £</u>
2000	2,000	39,000
1999	2,000	35,000
1998	1,000	30,000
1997	1,000	25,000

and he adds, that the reason why the expenditure appears low is that the products concerned are not consumer goods. Mr Dixon states that his company have sold goods under the ELA mark to cardiac centres in Blackpool, Bradford, Bolton, Huddersfield, Manchester, Newcastle, Middlesborough, York, Leeds, Sheffield, Hull, Grimsby, Derby, Nottingham, Chelmsford, Southend, Stoke, Stafford, Wolverhampton, Birmingham, Coventry, Oxford, London, Eastbourne, Dumfries and Belfast. In essence, goods bearing the mark ELA are sold to all cardiac centres in the United Kingdom.

8. Turning, to his company's market share, Mr Dixon claims a 12% share in the field of inflatable cardiac pacemakers and 15% in the field of implantable cardiac defibrillators.

Applicant's Evidence

9. This consists of two witness statements, one each from Pierpaolo A M Pacitti and Edward McDaid both dated 16 November 2001.

10. Mr Pacitti is a trade mark agent with Murgitroyd & Company, the applicants professional advisors in these proceedings.

11. Mr Pacitti submits that the respective marks ELAN and ELA are visually and phonetically different - the additional "N" in the ELAN mark significantly altering the overall effect given by the mark when compared to the mark ELA. He adds that the marks differ substantially on a conceptual basis, this being emphasized by ELAN being an actual word, whereas ELA is an invented word.

12. In relation to the goods at issue, Mr Pacitti contends that as they are of a highly technical and specialised nature, the relevant purchaser would be educated and careful.

13. Next, Mr Pacitti draws attention at Exhibit PPA1 to the results of a search his company has conducted through the UK and Community Trade Mark databases which reveal a number of marks registered in Class 10 and which have the prefix "ela". Mr Pacitti states that the existence of these third party registrations further shows that there is no likelihood of confusion between the marks ELA and ELAN.

14. Mr McDaid is the Managing Director of AorTech Europe Limited, the applicant. He also

submits that there are visual, phonetical and conceptual differences in the mark at issue and that the goods in issue are specialised and highly technical, the target market being the medical trade.

15. This completes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

16. I turn first to the ground of opposition based upon Section 5(2)(b) which reads as follows:-

"5.-(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, or
- (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 right is defined in Section 6, the relevant parts of which state:

"6.-(1)

- (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. 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] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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. 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*, paragraph 23;
- (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*, paragraph 23;
- (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*, 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*, paragraph 24;
- (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*, paragraph 26;
- (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*, 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*, paragraph 29.

19. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection awarded to such a mark. The opponent has filed evidence relating to the reputation of the mark ELA covered by the prior registration and on the basis of this evidence it is my view that the trade mark has a reputation in relation to pace making apparatus, pulse generators and defibrillators. Indeed, the repute of the opponent's ELA trade mark does not appear to be disputed by the applicant.

20. 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 recent judgements of the European Court of Justice mentioned earlier in this decision. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural or 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. In this case it is accepted that the opponent's ELA mark has a reputation. However, it was held in *Marca Mode v Adidas AG* (2000) ETMR 723:

"The reputation of a mark, where it is demonstrated, is thus an element which, amongst others, may have a certain importance. To this end, it may be observed that marks with a highly distinctive character, in particular because of their reputation, enjoy broader protection than marks with a less distinctive character (*Canon*, paragraph 18). Nevertheless, the reputation of a mark does not give grounds for presuming the existence of a likelihood of confusion simply because of the existence of a likelihood of association in the strict sense."

21. Furthermore, in addition to making comparisons which take into account the opponent's actual use (the applicant's have not demonstrated use prior to the relevant date), I must also compare the marks applied for and the opponent's registration 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.

22. The goods specified within the application in suit and the opponent's registration cover (inter alia) surgical, medical and cardiovascular apparatus and are accordingly, identical. I must take this into account in normal and fair use of the respective marks as well as bearing this point in mind in relation to the opponent's actual use and reputation.

23. In their evidence, the applicant's made submissions in relation to marks commencing with the prefix "ela" in Class 10 on the UK and European Community trade mark registers. I find the state of the register position to be of very little assistance as mere evidence of entries on the register without evidence of whether and to what extent the marks concerned are used is of little or no value. In any event, it does not seem to me that the opponent is necessarily claiming a monopoly in the prefix "ela" per se. My comparisons should be of the application in suit and the opponent's mark in their totalities.

24. The mark applied for consists of the four letter dictionary word ELAN, whereas the opponent's registration comprises the three letter invented word ELA.

25. Firstly, I turn to a visual comparison of the respective marks. The similarities and differences are plain to see. Both marks share the initial three letters ELA, but differ because the applicant's mark contains an additional fourth letter ie. the letter N. Similarity must be governed by overall impression and notwithstanding the fact that the opponent's mark is subsumed within the first three letters of the applicant's mark, it seems to me that in totality the marks look different. This is partly due to the relatively short length of the words comprising the respective marks, as in short words differences can be more obvious than in lengthy words. Also, the additional letter N within the opponent's mark means that their mark consists of a dictionary word which, in my opinion, would magnify the differences in the eye of the customer, as the meaning or connotation of ELAN would be likely to be recognised and retained - I will also consider this point under conceptual similarity in due course.

26. In relation to aural use I believe the opponent's case to be of similar weight. Both marks contain the same first three letters and it is widely accepted in relation to the spoken use of trade marks that customers have a propensity to slur the endings of words. However, in my view this is of limited impact in the present comparison as the additional letter N would make for a relatively strong sounding and readily distinguishable termination to the applicant's mark and serve to distinguish the marks in their overall totalities.

27. Next I turn to a conceptual comparison of the marks. The mark in suit is a dictionary word with its own obvious signification whereas the opponent's registration is an invented word. It seems to me that, in totality, the marks do not share a conceptual similarity.

28. In assessing the degree of similarity between the respective marks and whether it is sufficient to give rise to a likelihood of confusion I must consider who the average customer is and make allowance for imperfect recollection. The goods at issue are of a specialised and technical nature and the evidence illustrates that prospective purchasers would be educated and careful. This mitigates against the possibility of imperfect recollection and confusion.

29. On a global appreciation I have come to the conclusion that, while it is possible that some people encountering the applicant's mark may think it reminiscent of the opponent's mark it does not follow that a likelihood of confusion exists. Given the visual, aural and conceptual differences between the marks and after taking into account all the relevant factors (including reputation, imperfect recollection, the category of goods and the customer for the goods), it seems to me that the possibility of confusion is sufficiently remote that it cannot be regarded as a likelihood. The opposition under Section 5(2)(b) fails.

30. Next, I consider the ground of opposition under Section 5(4)(a), which states:-

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

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

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

31. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the WILD CHILD case (1998) 14 RPC 455. In that decision Mr Hobbs stated that:

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

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *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."

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

33. Earlier in this decision I found that the application in suit and the opponent's registrations were not confusable. Accordingly it is my view that the necessary misrepresentation required by the tort of passing off will not occur. The opposition under Section 5(4)(a) therefore fails.

34. The applicants are entitled to a contribution towards their costs and I therefore order the opponents to pay them the sum of £400. 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 14 day of May 2002

JOHN MACGILLIVRAY
For the Registrar
the Comptroller-General