

O/219/12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NOS 2547463, 2548704 AND 2551965

BY

ANGLO DESIGN HOLDINGS PLC

TO REGISTER THE TRADE MARKS:



AND

THE CONSOLIDATED OPPOSITIONS THERETO

UNDER NOS 100997, 101041 AND 101138

BY

SENSORMATIC ELECTRONICS, LLC

1) Sensormatic Electronics, LLC (Sensormatic) has opposed the registration of the trade mark applications of Anglo Design Holdings PLC (Anglo) in respect of goods and services in classes 9, 37, 42 and 45, namely:

electric and electronic security apparatus; closed circuit television cameras; monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments; video surveillance systems; video imaging systems; video multiplexing apparatus; video cameras for surveillance installations; cameras; fire prevention systems, video smoke detection systems, video flame detection systems; video cameras for closed circuit surveillance; apparatus for digitising, recording and distributing video signals across computer networks; parts and fittings for all the aforesaid goods; computer hardware, software and firmware relating to all the aforesaid;

repair and maintenance of electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks; advisory, consultancy and information services relating to the aforesaid;

design, development and maintenance of computer software relating to electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks; advisory, consultancy and information services relating to the aforesaid;

security monitoring services and surveillance; advisory, consultancy and information services relating to the aforesaid.

2) Application no 2547463 is for the trade mark:



The application for registration was filed on 11 May 2010 and published for opposition purposes on 25 June 2010.

3) Application no 2548704 is for the trade mark:



The application for registration was filed on 25 May 2010 and published for opposition purposes on 9 July 2010.

4) Application no 2551965 is for the trade mark:



The application for registration was filed on 1 July 2010 and published for opposition purposes on 30 July 2010.

5) In relation to all three applications Sensormatic relies upon section 5(2)(b) of the Trade Marks Act 1994 (the Act). Section 5(2)(b) of the Act states:

“(2) A trade mark shall not be registered if because -
.....

(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.”

6) The earlier right upon which Sensormatic relies is Community trade mark registration no 3001872:



The application for registration was filed on 9 January 2003 and the trade mark is registered for:

hardware and software for access control, event management, closed circuit television, video surveillance, digital video recording and management, asset tracking and management systems, and integrated electronic security systems.

The above goods are in class 9. The registration procedure for the trade mark was completed on 21 April 2008; consequently, it is not subject to the proof of use requirements.

7) In relation to application nos 2548704 and 2551965 Sensormatic also relies upon section 5(4)(a) of the Act; which 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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

Sensormatic claims to have goodwill in relation to the sign the subject of its trade mark registration and in relation to the same goods. Sensormatic claims that if

first used the sign in the United Kingdom in Sunbury on Thames on 26 September 2000.

8) Anglo filed counterstatements in which it denies the grounds of opposition. It denies that the respective trade marks are similar. In the alternative, in relation to section 5(2)(b) of the Act, it states that Sensormatic's trade mark registration is invalid as Anglo has been using trade marks incorporating the letters AD in the United Kingdom from January 1997. It states that it is in the process of filing an application for the invalidation of the Community trade mark. In relation to the grounds under section 5(4)(a) of the Act Sensormatic is put to proof of its claims to goodwill. Anglo denies that there would be misrepresentation or damage by use of its trade marks. Anglo states that it has used the letters AD and trade marks incorporating the letters AD in the United Kingdom since January 1997. Consequently, Anglo claims that it has an earlier right, the use of which could not be prevented under the law of passing-off.

9) Both parties filed evidence.

10) A hearing was held on 2 May 2012. Sensormatic was represented by Mr Philip Roberts, of counsel, instructed by Withers & Rogers LLP. Anglo was represented by Mr Giles Fernando, of counsel, instructed by Harrison Goddard Foote.

Evidence of Sensormatic and findings in relation thereto

11) This consists of a witness statement made by Paul Griffiths. Mr Griffiths is the vice president of Sensormatic.

12) Mr Griffiths exhibits at PG1 a media pack for the United Kingdom. The trade mark upon which Sensormatic relies is not shown in the media pack; which refers to a number of different trade marks. Exhibited at PG2 are examples of data sheets and brochures. The only data sheets that show the trade mark upon which Sensormatic relies and which have a reference to the United Kingdom are for the ADC531, ADC531X black and white CCD cameras (bearing a date of 1 October 2003 and a reference to ADT Fire and Security plc at Sunbury-on-Thames and for the ADC660 and ADC660X black and white CCD cameras which has a reference (inter alia) to ADT Fire and Security plc (bearing a date of 2 September 2006). The trade mark appears on the body of a picture of the camera, after which the words AMERICAN DYNAMICS appears. Both sets of data sheets identify the products with Tyco Fire and Security and ADT.

13) Mr Griffiths exhibits, at PG3, a spread sheet of sales of products made by Sensormatic between 2001 and 2003. Mr Griffiths describes these as being AD branded products; however, there is nothing to show how the actual products are branded. The material exhibited at PG2 shows that the trade mark upon which Sensormatic relies does not appear upon all of the products. The spread sheet is

not limited by jurisdiction and a large number of the sales relate to companies that are part of the same group as Sensormatic eg Tyco Integrated Systems Ltd and ADT Fire and Security plc. Consequently, the material exhibited at PG3 is not of assistance in establishing goodwill in the United Kingdom in relation to the trade mark upon which Sensormatic relies.

14) Mr Griffiths lists companies to which, he states, Sensormatic has supplied goods in the United Kingdom. Included in the list are companies that are identified as not being in the United Kingdom eg Cork Satellite and G4S Security Systems (Ireland). Mr Griffiths also uses ambiguous wording:

“has supplied the following UK companies with goods available under My Company’s mark and parts therefor”.

Stating that the goods are available under the trade mark is not the same as stating that the goods supplied actually bore the trade mark upon which Sensormatic relies.

15) Mr Griffiths states that exhibit PG4 shows use of Sensormatic’s trade mark on its matrix switcher and DVD technology system. The photograph exhibited does not show the use of the trade mark upon which Sensormatic relies. The only trade mark that can be seen is Integra.

16) Mr Griffiths states that exhibit PG5 is an advertising brochure that “demonstrates use of My Company’s mark in relation to CCTV components, switchers and controllers. This brochure shows use of the American Dynamics logo in marketing collaterals used in the UK prior to the takeover by the parent group, Tyco International.” The two pages exhibited show addresses in the United Kingdom and Ireland. A variety of trade marks are shown. The trade mark upon which Sensormatic relies appears next to the words AMERICAN DYNAMICS. The wording next to this trade mark states:

“American Dynamics manufacture CCTV components, switchers and controllers that can support up to sixteen cameras to more complex systems in excess of 1000 cameras.”

This is not indicative of use of the trade mark upon which Sensormatic relies but use of American Dynamics in relation to the products.

17) Mr Griffiths exhibits at PG6 an extract from the exhibition brochure for The World Forum for Security in Essen in 1994. He states that products bearing Sensormatic’s trade mark were exhibited. The trade mark upon which Sensormatic relies cannot be seen. This brochure was used outside the United Kingdom and emanates from prior to the date that Sensormatic claims that it first used its trade mark in the United Kingdom. Reference is made to American Dynamics and AD.

18) Mr Griffiths states that his evidence demonstrates that Sensormatic has widely used its trade mark in promotional, advertising and information materials. In fact, the evidence is remarkably sparse in relation to the use of the trade mark upon which Sensormatic relies in the United Kingdom. In fact the only clear evidence of such use are two data sheets exhibited at PG2 relating to CCD cameras. There is no indication as to how widely the data sheets were distributed. There is no evidence as to the actual extent of sales in the United Kingdom of products bearing the trade mark upon which Sensormatic relies. Sensormatic's claim in relation to passing-off relates to one particular sign. At the hearing Mr Phillips did not press the passing-off claim, although not abandoning it. Sensormatic did not request an amendment to its statement of grounds in relation to application no 2547463 to include section 5(4)(a) of the Act as per the official letter of 2 March 2012 (see also later).

19) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the General Court (GC) stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. Sensormatic must establish that at the dates of the applications for the trade mark of Anglo that it had goodwill in relation to the sign upon which it relies.

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

“27. 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 Section 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.

28. 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 at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

The judgments in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) show that the question of goodwill cannot be established by the application of a formula. In the latter judgment Floyd J stated:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

21) Mr Griffiths shows that Sensormatic, or associated companies, has had some business in the United Kingdom but he does not tie this business down in relation to the sign upon which Sensormatic relies and the goods upon which it relies. **Owing to the deficiencies of the evidence of Mr Griffiths, Sensormatic has not established a protectable goodwill in relation to the sign upon which it relies and, consequently, the grounds of opposition under section 5(4)(a) of the Act in relation to application nos 2548704 and 2551965 are dismissed.**

Evidence of Anglo and findings in relation thereto

22) This consists of a witness statement by Pauline Norstrom. Ms Norstrom is marketing director of Anglo. The evidence primarily deals with the use of various AD trade marks by Anglo. If Sensormatic had established goodwill in relation to the two oppositions in relation to which it has objected under section 5(4)(a) of the Act, this could be pertinent. It could establish, for instance, that Anglo is the senior user and so defeat a claim based on passing-off. However, Sensormatic

has not established goodwill in relation to the sign upon which it relies and so the evidence of use by Sensormatic is not pertinent in relation to the passing-off case.

23) It might be that the use by Anglo shows that the respective trade marks have con-existed in the marketplace without confusion and so be indicative that there is not a likelihood of confusion. However, the evidence of Sensormatic does not show that the trade marks have co-existed in the marketplace. There is also a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J stated:

“22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

The trade marks of the parties are used with many other indicators, distinguishing the parties. In relation to section 5(2)(b), these other indicators cannot be taken into account; it is a matter of comparing the respective trade marks outwith other matter; unlike in relation to an infringement action. Consequently, the evidence of Anglo in relation to its use of trade marks incorporating AD, is not pertinent to the issues to be considered.

24) Ms Norstrom refers to acquiescence in her evidence. However, this has not been pleaded by Anglo and is also not pertinent in relation to oppositions under section 5(2)(b) of the Act; it only comes into play in relation to invalidation actions in relation to section 5(2)(b) of the Act.

25) Ms Norstrom gives evidence in relation to the various ADT and Sensormatic companies, Thorn Security Limited and Tyco Integrated Systems Limited, to which Mr Griffiths refers in his evidence, as being all part of the same group of companies as Sensormatic.

Likelihood of confusion

Average consumer, nature of purchasing decision and standard for likelihood of confusion

26) The average consumer “is deemed to be reasonably well informed and reasonably circumspect and observant”¹. The goods of the earlier registration are all technical goods which are likely to be relatively costly. They are not the sort of goods that are likely to be purchased on impulse; they will be bought as the result of a careful and educated decision. They will be primarily be brought by businesses. Certain of the goods of the applications may be bought by the public at large eg alarm apparatus and instruments. The majority of the goods will be bought by businesses eg video smoke detection systems. All of the goods of the applications are technical goods and will be bought as the result of careful and educated decisions. Consequently, in relation to the respective goods the effects of imperfect recollection will be lessened.

27) The purchaser of the services of the applications will wish to make sure that the provider is technically capable of supplying them effectively and has a “track record” in supplying them. They will be purchased with a good deal of care and consideration and so the effects of imperfect recollection will be lessened.

28) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* the GC stated:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present

on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

The goods and services will primarily be bought after consultation of written material. They are likely to be the subject of research on the Internet. Consequently, visual similarity will have a greater effect than aural similarity.

Comparison of goods and services

29) In “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 tradeⁱⁱ”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaningⁱⁱⁱ. Consideration should be given as to how the average consumer would view the goods and services^{iv}. The class of the goods and services in which they are placed may be relevant in determining the nature of the goods and services^v. In assessing the similarity of goods and services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{vi}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{vii}. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

30) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (*OHIM*) Case T- 325/06 the GC explained when goods are complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P

Rossi v OHIM [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

31) Goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application^{viii}. All of the class 9 goods of the earlier registration either encompass the goods of the applications or are included in general categories of the class 9 specification of the applications. **Consequently, the respective goods are identical or must be considered to be identical.** (Mr Fernando submitted that a fire prevention system is not the same as the goods of the earlier registration. However, as Anglo’s own specification indicates, a fire prevention system can include closed circuit television and video surveillance and so must be considered to be identical.)

32) Mr Fernando accepted that the services that related to security surveillance and video monitoring were similar to the goods of the earlier registration. In making this submission, Mr Fernando was also effectively limiting the scope of the specification of the earlier registration. Digital video recording, for instance, is not limited in any form. The repair, maintenance, advisory, consultancy and information services in class 37 could all directly relate to the goods of the earlier registration. Consequently, they would have the same customers. The services are dependent upon the goods to which they relate. The customers are likely to think that the responsibility for the services lies with the same undertaking as is responsible for the goods. The respective goods and services are complementary. The first port of call in relation to servicing and advice in relation to technical goods will normally be the manufacturer of the goods. **The class 37 services are highly similar to the goods of the earlier registration.**

33) There is a clear symbiotic relationship between the class 39 services and the class 9 goods of the earlier registration; they are complementary. The respective goods and services will have the same customers. **The class 39 services are highly similar to the goods of the earlier registration.**

34) The class 42 services all relate to goods that are identical or are considered to be identical to the goods of the earlier registration. The customer for the maintenance, advisory, consultancy and information services will be the same as that for the goods. The aforementioned services are dependent upon the goods to which they relate. The customers are likely to think that the responsibility for the services lies with the same undertaking as is responsible for the goods. The respective goods and services are complementary. **The class 42 maintenance, advisory, consultancy and information services are highly similar to the goods of the earlier registration.**

35) The design and development of computer software is a specialist area. The customers for the goods of the earlier registration are not likely to be the same as those for design and development of computer software in relation to the listed goods. The manufacturer of the listed goods is the average consumer for the services. Owing to the distance between the respective consumers it is not considered that the average consumer for the goods of the earlier registration would believe that the responsibility for the services lies with the same undertaking as is responsible for the goods. The respective goods and services are not complementary. The respective goods and services have different purposes. They are not in competition. They will have different trade channels. The design and development of computer software in relation to the goods listed, only coincide with the goods of the earlier registration in that they relate to the same goods, or goods that are considered to be the same. **If there is any similarity between the goods of the earlier registration and the design and development of computer software as defined in the specification, it is at the remotest level.**

Distinctiveness of AD per se

36) Key to Mr Fernando's arguments in relation to both the similarity of the respective trade marks and the likelihood of confusion, were the claims that he made in relation to the intrinsic distinctiveness of AD per se. Mr Fernando submitted that AD, without stylisation, was devoid of any distinctive character as it is a colloquialism for an advertisement, towards in Latin and an abbreviation for Anno Domini. Mr Fernando was submitting that the letters AD in the respective trade marks only have significance in their stylisation, and that, because of this, neither similarity nor confusion could be found.

37) The distinctiveness of a sign has to be considered in relation to the goods in relation to which it is used or intended to be used. The average consumer for the goods and services under consideration is not going to consider the Latin meaning of ad; even if he or she were aware of it. In relation to the goods and services it is difficult to see why the average consumer will see the letters AD as relating to the Common Era. In all his examples Mr Fernando was conflating meaning with sense^{ix}. It is sense that is important, the term in the context of the use or potential use. Even if AD had either or both these senses for the average consumer, it is not possible to see how that deprives the letters AD of distinctiveness character. Mr Fernando submitted that in use AD would simply be seen as indicating an advertisement and not the goods and services under consideration in the proceedings. Ad is short for advertisement but it is difficult to perceive that in use in relation to the goods and services under consideration that it would be seen as indicating an advertisement rather than the goods and services.

38) The argument of Mr Fernando that the letters AD per se lack any distinctive character in relation to the goods and services under

distinctive and dominant element. The trade mark is the stylised letters AD and this is how it will be viewed by the average consumer. In trade mark no 1 the eye immediately goes to the letters in the centre; owing to their presence in the centre and that, being letters, they represent an easy hook for the memory; the letters AD are the dominant and most distinctive component of the trade mark. The outside of the trade mark is distinctive in its own right but not the dominant component. In his submissions Mr Fernando referred to the colour of the third trade mark. However, as the earlier trade mark is not limited to colour, the third trade mark must be drained of colour in its comparison with the earlier trade mark^{xiv}. Trade mark no 3 is trade mark no 1 with additional words. Network video will be seen as a descriptor and seamless intelligence as a strap line; these elements will have little effect on the recollection of the trade mark in the mind of the average consumer. The word elements cannot be ignored for the purposes of comparison but the distinctive and dominant components are as for trade mark no 1.

43) Mr Fernando submitted that Sensormatic's trade mark is italicised with stripes indicating speed and that this brought to mind American Dynamics and ad, connoting a sense of motion or direction. There is no reason that the trade mark should bring to mind the words American Dynamics in the mind of the average consumer. He submitted that what he described as the cog components of trade marks 1 and 3 suggest inventiveness and logic. The analysis of the trade marks by Mr Fernando has more of the Rorschach test about it than how the average consumer would perceive them. Mr Fernando submitted that on one view the respective trade marks are device trade marks and so would not be pronounced.

44) All of the trade marks have one element in common; the letters AD. They are in two different formats but are and will be seen as the letters AD and are likely to be referred to orally by reference to these letters, rather than as the morpheme AD. If they are referred to as the morpheme this will still give rise to phonetic identity. As there is no relationship between AD and the goods and services under consideration, there is no particular reason that the average consumer will perceive the letters as a morpheme rather than simply the letters A and D. In the latter case there is no particular meaning and so the position in relation to conceptual similarity is neutral. If, as Mr Fernando argued in relation to the distinctiveness of AD, the letters are seen as meaning towards, the Common Era or a colloquialism for advertisement, then there will be conceptual identity for individual relevant consumers. In relation to the additional words in trade mark no 3, these are alien to the trade mark of Sensormatic and so they are phonetically and conceptually dissimilar.

45) The letters AD have more limited stylisation in the trade marks of Anglo than that of Sensormatic. However, they are all clearly the letters AD. As the consumer is used to letters of the alphabet these letters will be the easiest hook for the memory and perception of the trade marks; the differences in the stylisation of the letters is not so great as to nullify. In trade mark nos 1 and 3 the

device element is noticeable and alien to the earlier trade mark. In trade mark no 3 the additional words are alien to the earlier trade mark and so increase the visual differences. Visually trade mark no 2 is the closest to the trade mark of Sensormatic; owing to the absence of other elements, there is a good deal of visual similarity. Trade marks no 2 and 3 have clear visual differences, however, owing to the presence of the letters AD (if in a different format), there is a degree of visual similarity.

46) Overall there is a high degree of similarity with trade mark no 2. There is a reasonable degree of similarity with trade mark nos 1 and 3.

Conclusion

47) Mr Roberts made submissions in relation to cases where trade marks which coincided in relation to two letters in different formats were found to be similar and that there was a likelihood of confusion. These cases turn upon their own facts and are not of assistance in reaching a conclusion in this case.

48) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xv}. Other than in relation to design and development of computer software as defined in the class 42 specification, the respective goods and services are either identical or highly similar.

49) It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xvi}. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xvii}. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods from those of other undertakings^{xviii}. This matter was dealt with to some extent above in relation to Mr Fernando's submissions that AD, without stylisation, is devoid of any distinctive character. This argument has been rejected. Taking into account that there is no relationship between the earlier trade mark of Sensormatic and the goods for which it is registered and the limited degree of stylisation, the earlier trade mark has a reasonable degree of inherent distinctiveness.

50) The respective goods and services will involve careful and educated purchasing decisions but this does not of itself necessarily obviate the likelihood of confusion. In *Apple Computer, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-328/05* the GC stated:

“59 Accordingly, the fact that the relevant public is composed of persons whose level of attention may be considered high is not sufficient, given the fact that the signs at issue are almost identical and the similarity between the goods in question, to exclude the possibility that that public might believe that the goods and services concerned come from the same undertaking or, as the case may be, from economically-linked undertakings (GALZIN, paragraph 48 above, paragraph 80).”

In *Honda Motor Europe Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-363/06 the GC stated:

“62 Furthermore, although the relevant consumer’s high degree of attention may, admittedly, lead him to be aware of the technical characteristics of car seats in order that he may ensure their compatibility with the relevant car model, it should be borne in mind that, taking into account the identity of the goods concerned, the similarity of the conflicting marks and the high distinctive character of the earlier trade mark, the fact that the relevant public may consist of professionals is not sufficient to rule out the possibility that they may believe that the goods come from the same undertaking or, as the case may be, from economically-linked undertakings (see, to that effect, *ALADIN*, paragraph 100). While the relevant public’s high degree of attention implies that it will be well informed about vehicle seats and may thus avoid making mistakes regarding the compatibility of those seats with the relevant car model, it cannot prevent that public from believing that the seats bearing the MAGIC SEAT trade mark are part of a new range of products developed by the well-known Spanish car manufacturer Seat.”

51) It has been decided that visual similarity has greater importance than aural similarity. However, there is visual similarity, if less than the aural similarity, and aural similarity has to be taken into account. It is considered that for the average consumer the conceptual associations of the trade marks are neutral.

52) In relation to composite trade marks, various matters must be considered. In *Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) v Shaker di L Laudato & C Sas* Case C-334/05 P the Court of Justice of the European Union (CJEU) stated:

“41 It is important to note that, according to the case-law of the Court, in the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its

components (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29).

42 As the Advocate General pointed out in point 21 of her Opinion, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element.”

In *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 the CJEU stated:

“30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

53) Mr Roberts submitted that the combination of the similarity of the respective trade marks and the identity or similarity of the respective goods and services will give rise to “the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings^{xix}. In relation to this Mr Fernando referred to the decision of Mr Iain Purvis QC, sitting as the appointed person, in BL O/375/10

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the

consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

In *Sabel BV v Puma AG* Case C-251/95 the CGEU stated:

“16. According to those governments, the likelihood of association may arise in three sets of circumstances: (1) where the public confuses the sign and the mark in question (likelihood of direct confusion); (2) where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (likelihood of indirect confusion or association); (3) where the public considers the sign to be similar to the mark and perception of the sign calls to mind the memory of the mark, although the two are not confused (likelihood of association in the strict sense).

17. It must therefore be determined whether, as those governments claim, Article 4(1)(b) can apply where there is no likelihood of direct or indirect confusion, but only a likelihood of association in the strict sense. Such an interpretation of the Directive is contested by both the United Kingdom Government and by the Commission.”

54) A global appreciation is required in relation to likelihood of confusion and this applies to both direct and indirect confusion. Taking into account the similarities in the respective trade marks, the common thread of the letters AD, the distinctiveness of the earlier trade mark, where the goods and services are identical or highly similar there is a likelihood of confusion in relation to all of the three trade marks of Anglo. **Consequently, the three applications are to be refused in respect of all of the class 9 goods, all of the class 37 and 45 services. In relation to the class 42 services the applications may proceed to registration in respect of the following services:**

design and development of computer software relating to electric and electronic security apparatus, closed circuit television cameras, monitoring, imaging, telemetry, security, alarm, detection, intruder and warning apparatus and instruments, video surveillance systems, video imaging systems, video multiplexing apparatus, video cameras for surveillance installations, cameras, fire prevention systems, video smoke detection systems, video flame detection systems, video cameras for closed circuit surveillance, apparatus for digitising, recording and distributing video signals across computer networks.

(The class 39 services of application nos 2547463 and 2548704 have not been the subject of attack.)

Pending application for cancellation of Sensormatic's Community trade mark registration

55) On 30 March 2011 Sensormatic requested the suspension of proceedings pending the outcome of the cancellation action against its Community trade mark. This was refused. On 29 December 2011 Sensormatic requested the revisiting of this matter "as the invalidity proceedings have now reached an advanced stage". This request was refused. (At the same time Sensormatic was advised that it had only raised section 5(4)(a) grounds against two of the applications.) On 25 April 2012 OHIM wrote to Anglo allowing it two months to respond to observations of Sensormatic. Consequently, the cancellation proceedings still have some way to go before a decision is issued. Under the Community trade mark system parties have rights of appeal through the hierarchy of appellate bodies; they do not need to seek leave to file a second or third appeal. Consequently, the cancellation action could be continuing for many years to come. It is considered that it was best not to delay matters at national level. The parties may seek to have any appeal that may be lodged suspended pending the cancellation proceedings. If they do so, and if a suspension is allowed, at least these proceedings have proceeded to their first instance decision and so there will be less delay subsequent to the outcome of the OHIM proceedings. It is also the case that the decision of OHIM, or subsequent appellate bodies, will not be determinative of the section 5(4)(a) issues.

Costs

56) Sensormatic has succeeded in relation to the vast majority of goods and services that it attacked under section 5(2)(b) of the Act. However, it failed under section 5(4)(a) of the Act. In *West t/a Eastenders v Fuller Smith Turner PLC* [2003] EWCA Civ 429 Pumfrey J, sitting in the Court of Appeal, decided that, in awarding costs, the success in relation to separate grounds and the evidence adduced in relation to those grounds should be taken into account. The evidence of Sensormatic was only pertinent to the section 5(4)(a) grounds and the evidence of Anglo was also directed towards this. Taking this into account and the opposition fees that Sensormatic incurred, it is decided that each party shall bear its own costs.

Dated this 31st day of May 2012

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

ⁱ *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* Case C-342/97.

ⁱⁱ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

ⁱⁱⁱ *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{iv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“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”

^v *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{vi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{vii} He 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.”

^{viii} See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 29:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

^{ix} The first and basic one is the preponderance of the sense [smysl] of a word over its meaning [znachenie] – a distinction we owe to Frederick Paulhan. The sense of a word, according to him, is the sum of all the psychological events aroused in our consciousness by the word. It is a dynamic, fluid, complex whole, which has several zones of unequal stability. Meaning is only one of the zones of sense, the most stable and precise zone. A word acquires its sense from the context in which it appears; in different contexts it changes its sense. Meaning remains stable throughout the changes of sense. The dictionary meaning of a word is no more than a stone in the edifice of sense, no more than a potentiality that finds diversified realization in speech.” *Thought and Language* by Lev Vygotsky translated by Alex Kozulin, The MIT Press. Also see, by way of analogy, the judgment of the GC in *Ratiopharm GmbH v Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle) (HABM)*, Case T-48/07:

“29 Was erstens das Argument angeht, der Ausdruck „biogenerics“ könne hinsichtlich der fraglichen Waren nicht beschreibend sein, weil es aus wissenschaftlicher Sicht keine generischen Biopharmaka gebe, so ist daran zu erinnern, dass das maßgebliche Kriterium für die Beurteilung des beschreibenden Charakters die Wahrnehmung durch die maßgeblichen Verkehrskreise ist (vgl. Urteil WEISSE SEITEN, Randnr. 90 und die dort angeführte Rechtsprechung). Selbst wenn nämlich insoweit das Bestehen biotechnologisch hergestellter generischer pharmazeutischer Erzeugnisse in technischer Hinsicht streitig sein sollte, steht doch fest, dass der Ausdruck „biogenerics“ von den maßgeblichen Verkehrskreisen so verstanden werden wird, dass er einem Erzeugnis aus dem pharmazeutischen, medizinischen oder wissenschaftlichen Bereich entspricht. Zum einen werden nämlich Durchschnittsverbraucher den Ausdruck als eine Beschreibung patentfreier biotechnologisch hergestellter pharmazeutischer Erzeugnisse wahrnehmen, da sie sich nicht der Schwierigkeiten bewusst sind, mit denen eine Reproduktion der Wirkstoffe dieser Erzeugnisse verbunden ist. Zum anderen belegen die Beweismittel, auf die sich die Prüferin und die Beschwerdekammer gestützt haben, dass eine Verwendung des

Ausdrucks „biogenerics“ zur Bezeichnung dieser Erzeugnisse durch gewerbliche Verbraucher und in Fachkreisen trotz seiner in technischer Hinsicht bestehenden Ungenauigkeit üblich ist.”

^x *Sabel BV v Puma AG* Case C-251/95.

^{xi} *Sabel BV v Puma AG* Case C-251/95.

^{xii} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{xiii} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xiv} In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

^{xv} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{xvi} *Sabel BV v Puma AG* Case C-251/95.

^{xvii} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xviii} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

^{xix} As per *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.