

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION No. 1557184  
IN THE NAME OF OMEGA ENGINEERING INC**

**AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF  
INVALIDITY No. 80762  
BY OMEGA SA (OMEGA AG) (OMEGA LTD)**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON  
BY THE REGISTERED PROPRIETOR  
AGAINST THE DECISION OF MR D. LANDAU  
DATED 15 JULY 2004**

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**DECISION**

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**Introduction**

1. This is an appeal against a decision of Mr. David Landau, the Hearing Officer acting on behalf of the Registrar, dated 15 July 2004, BL O/211/04 in which he granted an application for a declaration of partial invalidity of UK Trade Mark No. 1557184 by Omega SA (Omega AG) (Omega Ltd) in accordance with section 47(2) and section 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 (“TMA”).
2. UK Trade Mark No. 1557184 stands in the name of Omega Engineering Inc. and concerns the word mark OMEGA. It was applied for on 16 December 1993 and entered on the Register on 16 April 1999 in relation to a wide range of goods in Class 9 for use in industrial and scientific fields. The entire list is set out in Annex A.
3. Application No. 80762 for a declaration of invalidity was filed on 19 March 2002. Based on a number of earlier trade marks and earlier rights, it asks for invalidation only in respect of the following goods in UK Trade Mark No. 1557184:

“period timers; [ ...]; all for industrial and/or scientific purposes”.
4. Both sides submitted extensive evidence in support of their respective positions and reference is made to the Hearing Officer’s comprehensive summary at paragraphs 19 – 52 of his decision. At least two High Court cases between the parties have relevance to these proceedings: *Omega SA v. Omega Engineering Limited* [2002] EWHC 2620 (Ch), Pumfrey J. and *Omega Engineering Inc. v. Omega SA* [2004] EWHC 2315 (Ch), Rimer J.

5. The Hearing Officer referred to the applicant for invalidation as “Swiss” and the registered proprietor as “US”. I shall do the same.

**The earlier trade marks**

6. The Hearing Officer concentrated his decision under section 47(2)(a) of the TMA on Swiss’ UK Registration No. 699057 in Class 9 for the trade mark:



7. When the application for invalidation was filed on 19 March 2002, the specification of 699057 covered:

“nautical, surveying, weighing, measuring, signalling, checking (supervision) and life-saving instruments and apparatus; teaching instruments and apparatus (other than material); and calculating machines. CANCELLED IN RESPECT OF “calculating machines”. CANCELLED IN RESPECT OF instruments and apparatus, all for measuring, signalling and checking (supervision) of heat and temperature for scientific and industrial use” (*Specification A*).

8. However, by the time the application came to be heard by the Hearing Officer, US had succeeded in partially revoking 699057 on grounds of non-use so that the remaining goods were:

“measuring and signalling apparatus and instruments, all for use in sport; but not including calculating machines nor instruments and apparatus for measuring, signalling and checking (supervision) of heat and temperature for scientific and industrial use” (*Specification B*).

That partial revocation took effect from 14 September 2001 (the date of the US’s application for revocation, no earlier date having been claimed), which was confirmed by Jacob J. on appeal in *Omega SA v. Omega Engineering Inc.* [2003] FSR 893. A subsequent attempt by US to revoke 699057 with effect from an earlier time was thwarted by Rimer J. at [2004] EWHC 2315 (Ch.) on the ground that the proceedings were oppressive to Swiss. The dates are important because US seek to defend the present attack, inter alia, on the ground that relative invalidity must be determined at the date of the application for invalidity (19 March 2002) and not the date of the application for registration (16 December 1993), i.e., on the basis of the reduced specification for 699057 - Specification B.

9. Swiss point out that in any event their invalidation action relied on several earlier trade marks, in particular, 1456848 in Class 37 for O OMEGA, which at the date of the application for invalidity covered:

“maintenance and repair of horological and chronometric instruments ... measuring, checking and signalling apparatus and instruments ...; but not including maintenance and repair of heat and temperature measuring, checking and signalling apparatus and instruments, all for scientific and industrial use”.

And even following partial revocation with effect from 14 September 2001, 1456848 extended to:

“maintenance and repair of measuring, checking ... and signalling apparatus and instruments, all the goods being maintained and repaired being for use in sport; maintenance and repair of horological and chronometric instruments ...; but not including maintenance and repair of heat and temperature measuring, checking and signalling apparatus and instruments, all for scientific and industrial use”.

### **The appeal**

10. On 11 August 2004, US filed notice of appeal to an Appointed Person under section 76 of the TMA. The grounds of appeal shortly stated are as follows:

#### ***Sections 47(2)(a)/5(2)(b)***

- (a) The Hearing Officer erred in holding that the relevant time for determining the parties' rights under section 47(2)(a) and section 5(2)(b) of the TMA is the date of application for registration of UK Trade Mark No. 1557184 (16 December 1993) rather than the date of the application for a declaration of invalidity (19 March 2002). Moreover, the Hearing Officer wrongly refused to take into account the corresponding provisions in Council Regulation 40/94/EC on the Community trade mark (“CTMR”). If, however, the Hearing Officer was correct in determining under section 47(2)(a) whether the conditions of section 5(2)(b) were satisfied at the date of application for registration of UK Trade Mark No. 1557184, i.e., with regard to the broader (pre-partial revocation) specification - Specification A - of Swiss' registration 699057, then US does not challenge the Hearing Officer's finding that confusion on the part of the public is likely to result.
- (b) The Hearing Officer wrongly decided in the alternative that the conditions of section 5(2)(b) were made out on the basis of the reduced specification of 699057 pertaining as from 14 September 2001 – Specification B. The Hearing Officer should have found that the goods were not similar or that there was an insufficient degree of similarity to give rise to a likelihood of confusion on the part of the public. The Hearing Officer attached no, or insufficient significance to the fact that “period timers” in 1557184 are qualified by “all for scientific and/or industrial purposes”.

**Sections 47(2)(b)/5(4)(a)**

- (c) The Hearing Officer erred in holding that the relevant time for determining the parties' rights under section 47(2)(b) and section 5(4)(a) of the TMA is the date of application for registration of 1557184. Instead he should have held that the material date is when the application for a declaration of invalidity is made. Again, the Hearing Officer wrongly refused to take into account the corresponding provisions in the CTMR. But whichever date is selected (16 December 1993 or 19 March 2002), the Hearing Officer erred in finding that use of OMEGA in the UK for the goods in question was liable to be prevented by the law of passing off. There was no evidence on the basis of which it could reasonably be held that at either date, normal and fair use of OMEGA in respect of period timers for scientific and/or industrial purposes would constitute the misrepresentation necessary to found a case in passing off.
11. At the hearing of the appeal, US were represented by Mr. David Crouch of Bromhead Johnson. Ms. Sofia Arenal of Mewburn Ellis LLP appeared on behalf of Swiss.
  12. Ms. Arenal rightly reminded me that an appeal to the Appointed Person is by way of review and that I should be reluctant to interfere with the decision of the Hearing Officer in the absence of a distinct and material error of principle (*REEF Trade Mark* [2003] RPC 101, Robert Walker L.J. at page 109).
  13. I propose to take the points raised on appeal in reverse order, i.e., to commence with 699057, Specification B.

**Sections 47(2)(a)/5(2)(b) TMA – UK 699057, Specification B**

14. Section 47(2)(a) of the TMA insofar as relevant provides a ground for invalidity where “there is an earlier trade mark in relation to which the conditions set out in section 5(2) obtain”. The conditions of section 5(2)(b) are that because the mark in suit 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.
15. Whichever date is taken to be the material date for assessing the ground for invalidity in section 47(2)(a)/section 5(2)(b) (16 December 1993 or 19 March 2002) there is no question that 699057 is an earlier trade mark as defined by section 6(1)(a) and that the specification covers “measuring and signalling apparatus and instruments, all for use in sport”.
16. The relevant law as established by the Court of Justice of the European Communities (“ECJ”) in Case C-251/95 *Sabel BV v. Puma AG* [1997] ECR I-6191, Case C-39/97 *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1998] ECR I-5507, Case C-342/97 *Lloyd Schufabrik Meyer & Co GmbH v.*

*Klijisen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Mode CV v. Adidas AG* [2000] ECR I-4881 is also not in doubt. The likelihood of confusion must be assessed globally in the light of all the circumstances of the case and, in particular, the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified. These factors are interdependent. Thus, the more distinctive the earlier trade mark either inherently or through use, the broader the scope of protection. A lesser degree of similarity between the goods or services can be offset by a greater degree of similarity between the marks, and vice versa. The perception of the marks in the mind of the average consumer plays a decisive role in the global appreciation of likelihood of confusion. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect, and normally perceives a mark as a whole.

17. The Hearing Officer held that 699057 O OMEGA is possessed of high inherent distinctive character in relation to the goods in respect of which it is registered. He further held that at the date of US's application for the mark in suit, 16 December 1993, Swiss had a reputation in relation to both watches and sophisticated timing devices for sporting purposes. I do not understand US to challenge either of those findings. Nor do US suggest that Swiss' reputation in their mark was in any way lessened or weakened by the date of the application for the declaration of invalidity on 19 March 2002. Indeed, Rimer J. confirms Swiss' reputation at [2004] EWHC 2315 (Ch).
18. US also accept the Hearing Officer's finding that OMEGA on the one hand and O OMEGA on the other hand are similar marks. Having directed himself as to the average consumer test, the Hearing Officer said (at paragraph 65):

“... Mr Morcom [Counsel for US] submitted that the relevant public for the goods in question will be making a careful and sophisticated decision. Taking into account that the goods are *all for industrial and/or scientific purposes* he is probably correct. The nature of this public, especially the scientific public, will mean that they will very likely be aware of the Greek letter O. The “device” element of Swiss' trade mark will be very much seen as a representation of OMEGA to this public. OMEGA does not relate to the nature of the goods in question and as such, in my view, enjoys a good deal of inherent distinctiveness. Taking into account that the trade mark of Swiss is likely to be referred to as OMEGA and the distinctiveness of this element, OMEGA is the distinctive and dominant element of the earlier trade mark (see *Grupo El Prado Cervera SL v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-117/02 paragraph 53). The OMEGA element of the earlier trade mark and the trade mark of US are identical. I do not see that the sophistication of the purchasing decision will assist US. A careful and educated purchasing decision can highlight differences between trade marks and so in the perception of the relevant public make them not similar. However, in this case the trade marks are so similar, and the OMEGA symbol a reinforcement of the “message” of

the earlier trade mark to part of this sophisticated audience, that any degree of care and caution is not likely to lead the relevant consumer to consider that the signs are not similar”.

19. Essentially, US’s challenge is to the Hearing Officer’s assessment of the degree of similarity between the goods and/or services. US say that the Hearing Officer failed to take proper account of the limitations on the parties’ specifications: period timers all for industrial and/or scientific purposes, on the one hand; and measuring apparatus and instruments for use in sport, on the other hand. US contend that that led him to misapply the principles set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281. The findings of the Hearing Officer were:

“67) In the event that I am wrong in relation to the effects of the partial revocations of registration nos 699057, 1456848 and 1477193, I will consider the section 5(2) issues on the basis of their partially revoked specifications. The key issue here is in respect of the similarity of goods and/or services. The partially revoked specification for 699057 includes *measuring apparatus and instruments for use in sport*. Following from what has been said above, this part of the specification must include period timers for use in sport<sup>1</sup>.

68) In *British Sugar Plc v James Robertson & Sons Limited*, 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 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.”

69) 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

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<sup>1</sup> Earlier in his decision, when considering section 5(2) in relation to Specification A, the Hearing Officer applied the finding Pumfrey J. at [2002] EWHC 2620 to the effect that “measuring instruments and apparatus” cover period timers. I do not understand US to challenge either that finding or the Hearing Officer’s present finding that measuring instruments and apparatus for sport cover period timers for use in sport.

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 may be necessary to consider whether the goods and services are complementary.

70) All the goods potentially serve the same purpose, the timing of periods. Although the spheres of activity are different, the physical nature of the goods could be same. Indeed, the very goods could be identical; they are defined by for what they are used, rather than for what they are. There is no clear evidence as to the trade channels that the respective goods would be in. However, it seems to me that they could both follow the same and different routes. The sports purchaser could look to sports trade channels and the scientific/industrial purchaser could look to scientific/industrial trade channels. However, each type of purchaser might equally go to a trade channel that specialised in timing apparatus at large. The users of the goods would be differentiated by the place that they are used. I do not consider that the user in a strip mill can be considered the same as the user on an athletics track. As the goods could be identical in all aspects, it is only their end use that is different, they could potentially be in competition with each other. However, if they follow discrete trade channels they are unlikely to be in competition. In the end this is a question of period timers for two general purposes and a specification that includes period timers for another sphere. As I have stated earlier everything about them could be the same other than for what they are used. I consider that *measuring apparatus and instruments for use in sport* are similar to *period timers (all for industrial and/or scientific purposes)*.”

20. The Hearing Officer continued:

“71) I have already dealt with the issues arising from the signs. The respective signs are highly similar and the trade mark of the earlier registration enjoys a good deal of inherent distinctiveness. I have also mentioned the reputation that Swiss had as of 16 December 1993 in relation to both watches and sophisticated timing apparatus for sporting activities, which I will deal with in more detail below. I consider that taking into account the similarity of the respective signs, the similarity of the goods, the reputation of the trade mark in relation to timing apparatus, that there is a likelihood of confusion. They are potentially the same goods being sold under the OMEGA and [REDACTED] signs, the difference between them on being their end purpose. In considering the specification of the registration it is necessary to consider the goods in question in notional and fair use for everything that they could encompass (see *Compass Publishing BV v Compass Logistics* [2004] EWHC 520 (Ch) re this issue). The alleged use made by US should not be conflated with the potential use. In considering the respective goods I have borne in mind that Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated that the words in a specification should

not be given “an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.” I also have been conscious that Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 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.”

**72) I find that there is likelihood of confusion in relation to the partially revoked specification of 699057 and registration of the trade mark for period timers (all for industrial and/or scientific purposes) is contrary to section 5(2)(b) of the Act.”**

21. US argue that the Hearing Officer did not take into account the sophisticated nature of the relevant consumer when assessing the likelihood of confusion in relation to 699057 Specification B, even though that was material to his comparison of the marks. I am unable to accept that criticism. I believe it is clear from the decision as a whole and, in particular, paragraphs 65 and 70, that the Hearing Officer did have in mind throughout his decision the nature of the relevant consumer. I am mindful of the warning of Robert Walker L.J. in *REEF Trade Mark* (paragraph 29) that:

“The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden ...”.

22. The appreciation of the likelihood of confusion for the purposes of section 47(2)(a)/section 5(2)(b) in any particular case must take into account a number of elements. Here, the Hearing Officer found that the earlier trade mark is possessed of high degree of inherent distinctive character and additionally enjoys reputation on the market for watches and sophisticated timing apparatus for sporting activities. The Hearing Officer acknowledges that the reputation is not for timing apparatus for industrial or scientific purposes but is a reputation, which in his view will accrue to any timing equipment. That accords with the observation of Pumfrey J. at [2002] EWHC 2620 (Ch) where he describes time measuring apparatus as the centre of gravity of Swiss’ business. The marks are admittedly highly similar. The Hearing Officer also found some degree of similarity between the goods despite their claimed different fields of use. In those circumstances, I am unable to detect any material error of principle on the part of the Hearing Officer and believe that his decision was one that it was reasonable for him to arrive at. The appeal under section 47(2)(a)/section 5(2)(b) in relation to 699057 Specification B fails.

**Sections 47(2)(b)/5(4)(a) TMA**

23. US claimed use in relation to the goods since 1990 and raised defences of concurrent goodwill and acquiescence. In connection with the latter, US relied also on an agreement concluded in 1994 between Swiss and US to which I shall return later in my decision.
24. The Hearing Officer held that US had failed to establish on the evidence either use of, or goodwill in the mark in suit in the UK in relation to the goods concerned. Exhibit DJC6, for example, showed an industrial timer but the timer bore US's OMEGA logo and not the mark in suit (witness statement of David John Crouch, dated 22 July 2002). There was no evidence of any sales having taken place and there were no indications of any actual clients or where any goods had been sold. Nothing indicated whether any goods for scientific purposes had been supplied or whether the goods had been used across industries or were appropriate for all of industries. The Hearing Officer accordingly dismissed the arguments based on concurrent goodwill/acquiescence in use. As for the 1994 Agreement, the Hearing Officer felt himself bound by the decision of Pumfrey J. at [2002] EWHC 2620 (Ch) to the effect that the Agreement did not prevent Swiss from attacking the use to which US claimed that Swiss had acquiesced.
25. Mr. Crouch did not challenge before me the Hearing Officer's evaluation of US's evidence. Indeed, the shortcomings in that evidence are acknowledged in the statement of grounds of appeal. Nor did Mr. Crouch question (at this point) the Hearing Officer's findings in relation to the 1994 Agreement. Instead, Mr. Crouch argued that there was no evidence on the basis of which it could reasonably be held that, whether at 16 December 1993 (or 1990) or 19 March 2002, normal and fair use of the mark OMEGA in relation to period timers for industrial and/or scientific purposes would constitute the misrepresentation necessary to found a case in passing off. The Hearing Officer's findings on this aspect of the application for a declaration of invalidity are as follows:

“79) Swiss has to establish goodwill in a business related to a sign. Mr. Morcom attacked the evidence of Swiss in relation to its class 9 business. Swiss has shown that by the material date it was supplying complex timing apparatus to sports venues and events in the United Kingdom. The name OMEGA with and without O was used in relation to sports timing equipment for the Commonwealth Games in Scotland in 1986 and the European Indoor Athletics Championships in Scotland for instance. It would also have been seen by many television viewers for the Olympic games, even if this represents reputation rather than goodwill owing to all but one of them taking place outside the United Kingdom. Of course, Swiss did supply timing apparatus for the London Olympics. Swiss also clearly enjoyed a reputation in relation to watches. The use of OMEGA in relation to sporting activities as well as representing a business for Swiss also acts as a very effective form of promotion for its watches. The association of the word OMEGA with sports timing, where accuracy and detail is essential, must enhance the reputation of its watches. At the material

date Swiss enjoyed a goodwill and reputation in relation to timing equipment and watches. A reputation in both the qualitative and quantitative sense. OMEGA in relation to timing meant Swiss. I consider that use of the word OMEGA in relation to timing apparatus would lead the concerned public to consider that Swiss was responsible for the goods. Claims that there has not been confusion, other than the one incident in the USA, do not have a bearing upon this. The relevance of this is again based on the false conflation of the registered sign and the goods it covers with the use made by US; again it rests upon the decontextualisation of the use. Consequently, the use of OMEGA for period timers (all for industrial and/or scientific purposes) would amount to a misrepresentation or deception.”

26. As to relevant damage, the Hearing Officer said:

“80) Adopting the criteria of *Habib Bank Limited v Habib Bank AG Zurich* [1982] RPC 1, damage to the goodwill of Swiss could occur for the following reasons:

- Diverting trade from Swiss to US;
- Potentially injuring the trade reputation of Swiss if the goods provided by US were of a poorer standard;
- By the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business.”

The Hearing Officer concluded that the criteria for invalidating the registration under section 47(2)(b)/section 5(4)(a) had been made out.

27. US have not particularised their general claim that the evidence does not support the Hearing Officer’s finding of a misrepresentation likely to deceive. I have already dealt with the contention that the Hearing Officer failed to take into account the perspicacity of the average buyer of the goods. I do not find that the Hearing Officer’s decision is either mistaken in principle or obviously wrong on the facts and I dismiss the appeal against the decision insofar as it relates to the application for a declaration of invalidity under section 47(2)(b)/section 5(4)(a).

**The material date(s) for assessing relative invalidity for section 47(2) TMA**

28. The Hearing Officer held that the material date for determining the parties rights under section 47(2)(a)/section 5(2)(b) and section 47(2)(b)/section 5(4)(a) was the date of application of the mark in suit, 16 December 1993. US submit that the Hearing Officer was wrong and that the date for assessing relative invalidity is the date of the application for a declaration of invalidity, 19 March 2002. US rely on the present tense of the wording of section 47(2) in contrast to the past tense used for the absolute grounds for invalidity in section 47(1). Section 47(2) says that a registration may be declared invalid

on the ground that there is an earlier trade mark to which the conditions set out in section 5(1), 5(2) or 5(3) obtain, or there is an earlier right to which the condition set out in section 5(4) is satisfied unless the proprietor of the earlier trade mark or other earlier right has consented to the registration. Whereas section 47(1) provides for invalidation where the mark was registered in breach of section 3. US also rely on the similarly worded Articles 52 (relative invalidity) and 51 (absolute invalidity) of the CTMR. They say Articles 4(1)<sup>2</sup> and 4(4)(b)<sup>3</sup> of Council Directive 89/104/EEC (“the Directive”) from which these provisions insofar as relevant derive also speak in the present tense as does Article 13 of the Directive which states that:

“Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.”

29. Finally, US rely on the decision of Mr. Mike Knight in the Trade Marks Registry in *TRANSPAY Trade Mark* [2001] RPC 191. In *TRANSPAY*, the earlier trade mark relied upon on opposition had lapsed in the period between the date of the application for the mark in suit (and the date of filing the opposition) and the time when the opposition was heard. The Hearing Officer held (paragraph 16) that whilst the mark upon which opposition is based must be “earlier” in the sense that it must have been filed on, or claim priority from, a date earlier than the application or priority date of the mark opposed:

“... such an approach can not be absolute and account must be taken of events concerning the earlier registered trade mark which occur after the date of application and before the final decision whether or not to accept an application for registration. To do otherwise would result in a great deal of unfairness and inconvenience to the respective owners of trade mark rights.”

Mr. Knight gives cancellation of the earlier trade mark after the application date of the later-filed otherwise conflicting mark as an example of an event

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<sup>2</sup> “A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:  
(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;

(b) if because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

<sup>3</sup> “Any Member State may furthermore provide that a trade mark shall not be registered, or if registered, shall be liable to be declared invalid where, and to the extent that:

(a) [ ... ]

(b) 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, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;”

that in his view would cause unfairness and inconvenience if it could not be taken into account.

30. Swiss say that the Hearing Officer was correct to hold that the relevant date for assessing the parties' rights under section 47(2) is the date on which the attacked registration was applied for and not the date of the invalidation application, for the following reasons:
- (i) The past tense in section 47(1) can be attributed to the need to take into account acquired distinctiveness through use after registration pursuant to the proviso to that sub-section.
  - (ii) Standard texts support the position that the relevant date for assessing prior registered rights is the date when the attacked registration was filed<sup>4</sup>.
  - (iii) The effect of invalidity is retrospective, i.e., the registration is deemed never to have existed (subject to the proviso that this shall not affect transactions past and closed) (section 47(6)).
  - (iv) The Hearing Officer did not ignore the corresponding provisions in the CTMR. He merely held that they could not determine the issue in relation to a UK registered mark, which is clearly right.
  - (v) The observations of Mr. Knight in *TRANSPAY* are obiter in that he dismissed the opposition on the basis that there was no likelihood of confusion between the marks for section 5(2)(b).
  - (vi) Mr. Allan James in the Trade Marks Registry in *RIVERIA Trade Mark* [2003] RPC 883 arrives at a different conclusion. The case is more to the point. In *RIVERIA* the earlier trade mark on which the application for a declaration of invalidity was based was revoked on grounds of non-use with effect from a date after the filing date of the attacked registration and after the date of the application for invalidity. The Hearing Officer considered the terms of section 46(6) of the TMA to be controlling. Section 46(6) states:

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<sup>4</sup> Ms. Arenal referred me, in particular, to: (i) The Modern Law of Trade Marks, Morcom, 1999, page 155, paragraph 7.27 (speaking of section 47(2)): "It seems probable that the applicability of the provisions based on s 5(1), (2) and (3) must be determined as at the date of the application for registration under attack, because an 'earlier trade mark' must be protected as at a date prior to that date. The same must apply to s 5(4)". Mr. Morcom continues: "But that is not to say that evidence of use of the mark after – or before – registration is to be ignored ..."; and (ii) The Trade Mark Handbook, page 109/14, paragraph 109.7.1: "It is to be noted that the grounds for invalidity of the mark contained in s. 47 apply *only* to the mark at the time of its original entry onto the Register; ...". The passage continues: "if, for some reason, it subsequently becomes invalid, i.e., loses its distinctive character, it cannot be challenged under s. 47, although s. 46 may assist ...".

“Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

- (a) the date of the application for revocation, or
- (b) if the registrar or the court is satisfied that the grounds for revocation existed at an earlier date, that earlier date.”

The Hearing Officer opined (paragraph 15):

“The “rights of the proprietor” cannot be deemed to have ceased only at the date of the application for revocation if the rights of the trade mark become unenforceable for any period following the act of revocation. Consequently, the trade mark remains enforceable in respect of matters arising at any time prior to the date at which the rights of the proprietor cease to have effect.”

Accordingly, he held that the later registration was invalidated pursuant to section 47(2) by the now revoked earlier trade mark.

- 31. US seek to differentiate the decision in *RIVERIA* on the ground that in that case the earlier trade mark was revoked with effect from a date after the date of the application for a declaration of invalidity whereas in the present case partial revocation took effect from a date well before the date of the application for a declaration of invalidity.
- 32. The Hearing Officer observed that the problems with revocation dates and applications for invalidations (and oppositions) were likely to disappear in the future due to implementation of the Trade Marks (Proof of Use, etc) Regulations 2004, although clearly those regulations could not assist in the present case. The Trade Marks (Proof of Use, etc) Regulations came into force on 5 May 2004. Regulation 6 inserts a new section 47(2)(A) into the TMA. Where an earlier trade mark is more than five years old at the date of the application for invalidation, the applicant is required to provide a statement of use (or proper reasons for non-use) of the goods or services upon which invalidation is based and, if that statement is denied or not admitted by the proprietor of the attacked mark, evidence in support of the statement must be filed (section 47(2)(A) TMA, rules 33 and 33A Trade Marks Rules 2000, as amended by the Trade Marks (Amendment) Rules 2004). The UK proof of use requirements differ to those that have always pertained in the Community trade mark system in that, inter alia, under Article 56(2) of the CTMR where an earlier trade mark is also more than five years old at the date the attacked Community trade mark application was published, the applicant may additionally be called upon to prove use (or proper reasons for non-use) during that earlier five year period.

33. However, the issues involved in the question of what is the material time for determining the parties' rights under section 47(2) of the TMA go much wider than use of the earlier trade mark. A trade mark may, for example, be revoked on grounds of genericness or deceptiveness. Moreover, revocation aside, circumstances surrounding an earlier trade mark or other earlier right may change in between the date of application for registration of the attacked mark and the date of the application for invalidity, for instance:
- (a) Through recognition on the market, an earlier trade mark has become entitled to a wider scope of protection than at the time the attacked mark was applied for such that there is now, a likelihood of confusion with the earlier trade mark.
  - (b) Conversely, an earlier trade mark that was strong at the date of application for registration of the attacked mark is weakened through loss of recognition on the market by the time invalidation is sought with the result that there is no longer a likelihood of confusion with the earlier trade mark. A relevant field may be the telecommunications industry.
  - (c) Because of the reputation of the earlier trade mark, use of the later mark without due cause takes advantage of, or is detrimental to, the distinctive character, or the repute of the earlier trade mark at the time when invalidation is sought. That would not have been the case at the date of application for registration of the attacked mark at which time the earlier trade mark enjoyed little or no reputation.
  - (d) Conversely, an earlier trade mark has reputation at the date of application for registration of the attacked mark and use of the later mark without due cause would take unfair advantage of, or be detrimental to the distinctive character, or the repute of the earlier trade mark. By the time invalidation is sought the reputation of the earlier mark is diminished.
34. For the simple reason that section 47(2) can encompass a much wider range of situations than revocation, I differ from the Hearing Officer's view that section 46(6) is determinative of the material date for assessing the parties' rights under section 47(2) in those cases where revocation has occurred. Furthermore, section 46(6) of the TMA is a home-grown provision and as such cannot affect the interpretation of section 47(2), which derives from Article 4 of the Directive.
35. It will be apparent from my earlier findings in relation to 699057 Specification B and passing off that determining the material time for assessing the parties' rights under section 47(2) is not crucial to this appeal. In an appropriate case it may be necessary for this tribunal or the court to make a reference to the ECJ for a preliminary ruling pursuant to Article 234 of the EC Treaty.

36. My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation<sup>5</sup>. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*).
37. In any event, as I have said, I have already upheld the Hearing Officer’s decisions under section 47(2)(a)/section 5(2)(b) in relation to 699057 Specification B and section 47(2)(b)/section 5(4)(a) in respect of passing off and that suffices to dispose of the appeal.

#### **Amendment to the specification of 1557184**

38. Two days before the date appointed for the hearing of the appeal, US applied in their skeleton argument to amend<sup>6</sup> the specification of 1557184 to read:

“period timer apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature,

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<sup>5</sup> In dealing with the ground of invalidity under section 47(2)(b)/section 5(4)(a) the Hearing Officer contemplates that delay in challenging the mark in suit (i.e. the period which elapsed between the date of the application for registration, 16 December 1993, and the date of the application for invalidation, 19 March 2002) might lead to Swiss not being successful in passing off. The Hearing Officer cites an observation of Pumfrey J in *DaimlerChrysler AG v. Javid Alavi* [2001] RPC 42 at paragraph 67, an action for infringement and passing off. This appears to contradict the Hearing Officer’s previous finding that the date for assessing the parties’ rights under section 47(2)(b)/section 5(4)(a) was 16 December 1993, in which case, only conduct amounting to acquiescence under section 48(1) should have had any relevance.

<sup>6</sup> A registered trade mark cannot be altered during the period of registration or on renewal (section 44(1)). However, a registered trade mark may be surrendered by the proprietor in respect of some or all of the goods or services (section 45(1)).

pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow”.

The skeleton argument added:

“It should be noted that such period timer apparatus is NOT apparatus for the measurement or control of time, but rather apparatus for the measurement or control of, for example, temperature which apparatus is itself controlled by time.”

39. At the hearing before me, US sought to argue that the Hearing Officer erred in failing to consider section 47(5) of the TMA, which provides:

“Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.”

That point was not argued in the statement of grounds of appeal and since US have made no application to amend their grounds of appeal, I shall consider it no further.

40. Also at the hearing before me, US sought to delete any reference to “measurement” in their proposed amended specification so that henceforth it read:

“period timer apparatus industrially and/or scientifically employed for controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow”.

Despite their note (quoted above), US realised that they were in danger of extending the scope of the specification of 1557184 by claiming more widely than period timers. Broadening the goods or services in a registered trade mark is not permitted under either section 44 (alteration) or section 45 (surrender) of the TMA or at all.

41. US’s argument as to why they should be permitted to retain an amended specification is linked to an agreement that was entered into between the parties in 1994. The 1994 Agreement was the subject of interpretation by Pumfrey J. in *Omega SA v. Omega Engineering Limited*, supra. The disputed clause was (and is) clause 4:

“Henceforth from the signing of this Agreement and effective in all countries of the world:-

a. OMEGA ENGINEERING INCORPORATED undertakes not to use, register or apply to register any trademark consisting of or containing the word OMEGA or the Greek letter O, or any mark containing elements colourably resembling either of those two

elements in respect of computer controlled measuring, timing and display apparatus, unless intended for science or industry.

b. OMEGA SA undertakes not to use, register or apply to register any trademark consisting of or containing the word OMEGA or the Greek letter O, or any element colourably resembling either of those two elements, in respect of,

*“Apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow.”*

c. OMEGA SA will not object to the use or registration by OMEGA ENGINEERING INCORPORATED of any trademark consisting of or containing the word OMEGA or the Greek letter O or any element colourably resembling either of those two elements in respect of apparatus industrially and/or scientifically employed for measuring or controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow.”

Pumfrey J. observed that clause 4(b) and (c) were complementary whereas 4(a) stood alone. As to clause 4(a), Pumfrey J. held that provided the goods were intended for use in science and industry, US were free to apply for registration of OMEGA etc. in respect of whatever products they wanted. The real question was whether Swiss were bound by the terms of clause 4(c) not to object. The judge noted that measurement of time was not mentioned in clause 4(b) or clause 4(c) at all. Accordingly, even though US were not precluded by clause 4(a) from applying to register their mark(s) in respect of period timers for industrial and/or scientific use, Swiss were equally not prevented under the terms of clause 4(c) from opposing any such application for registration.

42. US contend that Swiss cannot object to 1557184 in respect of: “period timer apparatus industrially and/or scientifically employed for controlling variable parameters such as temperature, pressure, force, load, vibration, electrical conductivity, liquid level, acidity, humidity, strain and flow” because such goods fall within clause 4(c). In so arguing, US are on the horns of a dilemma. On the one hand, if what they propose is not a period timer, US are unlawfully seeking to extend the width of their specification. On the other hand, if what US claim is a species of period timer, Pumfrey J.’s ruling applies and time measuring apparatus (regardless of its intended application) is outside clause 4(c).
43. Ms. Arenal points out that the 1994 Agreement was entered into between the parties after the date of the application for registration of the mark in suit. Regardless of this, I believe US’s proposed amendment is an unallowable attempt to circumvent a decision of Pumfrey J., which they failed to obtain permission to appeal.

## **Conclusion**

44. In the result, the appeal fails. The Hearing Officer ordered US to pay Swiss the sum of £1600 in respect of the application and I direct that a further sum of £1600 be paid to Swiss towards the costs of this appeal to be paid on the same basis as indicated by Mr. Landau.

Professor Ruth Annand, 13 July 2005

Mr. David Crouch, Bromhead Johnson, appeared on behalf of Omega Engineering Incorporated

Ms. Sofia Arenal, Mewburn Ellis LLP, appeared on behalf of Omega SA (Omega AG) (Omega Limited)

## ANNEX A

Scientific apparatus and instruments, electrical apparatus and instruments, all for scientific and/or industrial purposes; optical, thermal, thermo electric, weighing, measuring, signalling and checking apparatus; calculating machines and apparatus; electrical and electronic apparatus and instruments for collecting, processing, assessing and transmitting data, all for scientific or industrial applications; information display systems for scientific or industrial applications; computers for use with information display systems for scientific or industrial applications; electric soldering irons; control apparatus and instruments; automatic temperature regulators; batteries; blowers; insulated cables; instruments for checking, testing and verification; heat measuring and recording apparatus; distance temperature indicators; electric connections; electrical contacts; thermoelectric elements; indicating instruments for use in the control of heat; indicating apparatus and instruments for inspectional control; inspecting instruments; lasers; recording apparatus; adaptors; alarms; ammeters; amplifiers; analysers; anemometers; barometers; baths, boards; cables; calibrators; PH buffer capsules; plug-in cards; cells; handheld leak checkers; heat transfer and release coatings; computers; computer interfaces; computer software being part of computer controlled apparatus or instruments for scientific and/or industrial purposes; signal conditioners; connectors; magnetic contactors; controllers; converters; data acquisition systems; dataloggers; leak detectors; autodialers; telephone dialers; electrodes; power control elements; hermetic feedthroughs; vacuum feedthroughs; compression fittings; tube fittings; flowmeters; bench top muffle furnaces; dial gauges; handheld force gauges; strain gauges; heaters; hot plates; digital thermal hygrometers; indicators; interfaces; isolators; load cell summing junction boxes; irreversible labels; liquid crystal labels; reversible labels; temperature labels; power loggers; manometers; heating mantles; meters; mixers; modems; intelligent control modules; isolation modules; loop isolator modules; proportional firing modules; pulse control modules; solid state input/output modules; monitors; electric motors; multimeters; power control panels; printers; conductivity probes; temperature profilers; psychrometers; pumps; pyrometers; receivers; recorders; relays; rotameters; process scanners; temperature scanners; sensors; simulators; pressure snubbers; pressure standards; handheld pressure standards; melting point standards; lab hot plate stirrers; power supplies; switches; communication systems; conductivity level switch systems; tachometers; flexible heating tapes; testers; thermocouples; thermometers; thermostats; period timers; totalisers; transducers; transmitters; tubing, all of metal, of plastic or of rubber; valves; voltmeters; wind tunnels; wire; wires; data carriers with and without recording means; electronic instruments and apparatus for the measurement of process parameters and electrical parameters; data processing apparatus; microprocessor operated apparatus; parts and fittings for all the aforesaid goods; testing and laboratory apparatus; vibration management apparatus; lenses; filters; mirrors; beam splitters; attenuators; lamps; laser mounts; laser beam directors; optical fibres and cables; mounting hardware; positioners; transducer indicators; transducer simulators; setpoint controllers; digital strain gauge monitor meters; digital monitor meter and/or controller pressure test apparatus; detectors; calibrators; potentiometers; electrical instruments and controls, all for checking, displaying, controlling, measuring, monitoring, warning, recording, data logging and recording variable parameters; apparatus and instruments for calculating, controlling and signal conditioning; thermocouple probes; thermocouple assemblies; thermocouple wells; thermocouple parts and fittings; ice-point reference apparatus; cold-junction

compensators; apparatus for testing temperature; thermistor and probe assemblies; thermopiles; feedthrough unions, bushings, sockets, test plugs and insulation, all being electrical; thermistors; accelerometers; brackets; chlorine analysers; barriers; connectors, insulators; tubing and parts, all being ceramic; calibrators; signal conditioners; thermocouple connectors; thermocouple to analog converters; counters; diodes; refractometers; viscometers; scanners; transmitter simulators; slip rings; switches; thermocouple blocks; thermocouple heads; thermowells; transformers; transmitters; valve needles; weather stations; regulation and control apparatus; pH measuring instruments; mechanically operated infra-red pyrometers and thermometers; mechanically operated ammeter tools, current probe tools and watt meter tools; mechanically operated pH/conductivity meter tools; parts and fittings for all the aforesaid goods; all for industrial and/or scientific purposes; all included in Class 9; but not including audio or television apparatus or goods being parts of mass spectrometers or of radio position finders or parts and fittings for plasma etching machines.