

O-258-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2402638
BY ZYTRONIC DISPLAYS LIMITED
TO REGISTER THE TRADE MARK:**

ZYTRONIC

IN CLASS 9

AND

**THE OPPOSITION THERETO
UNDER NO 94175
BY LIDL STIFTUNG & CO KG**

Trade Marks Act 1994

**In the matter of application no 2402638
by Zytronic Displays Limited
to register the trade mark:
ZYTRONIC
in class 9
and the opposition thereto
under no 94175
by Lidl Stiftung & Co KG**

INTRODUCTION

1) On 28 September 2005 Zytronic Displays Limited (ZDL) filed an application to register the trade mark ZYTRONIC (the trade mark). The application was published for opposition purposes on 25 November 2005 with the following specification:

visual display units; touch sensitive display screens; apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer hardware; computer software; computer hardware associated with touch sensitive display screens; computer software associated with touch sensitive display screens; optical filters; glass; visors; parts and fittings for all the aforementioned goods.

The above goods are in class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 27 February 2006 Lidl Stiftung & Co KG (Lidl) filed a notice of opposition to the application. Lidl claims that registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act). Section 5(2)(b) of the Act proscribes registration of a trade mark if because:

“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.”

Lidl relies upon the United Kingdom registration of its trade mark TRONIC, registered under no 2150682. The registration has an international priority date of 14 May 1997, the registration process was completed on 5 January 2001 (which means that it is not subject to a proof of use requirement.) Lidl's trade mark is an earlier trade mark as per section 6(1)(a) of the Act¹. TRONIC is

¹ Section 6(1)(a) of the Act defines an earlier trade mark as:

registered for a variety of goods in six classes. Lidl claimed that all of the class 9 goods of its registration are identical or similar to the goods of the application. The specification of the class 9 goods of its registration is:

telephone apparatus, telefax apparatus, answering machines, pocket calculators, photographic and optical apparatus; cameras, objectives, binoculars, apparatus for recording, transmission and reproduction of sound and images; camcorders, radios, cassette recorders, CD players, TV/video apparatus as well as combinations thereof; flat irons; alcohol testers, electric devices for killing insects, electric battery chargers, vacuum cleaners.

3) ZDL filed a counterstatement in which it denied the grounds of opposition.

4) The sides were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and any written submissions that were received. Neither side requested a hearing. Both sides submitted written submissions.

DECISION

5) Both sides filed evidence. The evidence of ZDL consists of state of the register evidence, furnished to show that “no one party can claim rights in marks which contain the word “TRONIC” in class 9”. State of the register evidence does not tell one what is happening in the marketplace; it does not show that the relevant, average consumer is used to distinguishing between a variety of trade marks which share a common element². I have given no weight to the state of the register evidence and will say no more about it. (The line of argument is, anyway, one that was rejected by the Court of First Instance (CFI) In *Koipe Corporación SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-363/04*³.)

“a registered trade mark, international trade mark (UK), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”.

² See *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-135/04* and *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 re state of the register evidence.

³ “83 However, OHIM submits that a single competitor cannot exclusively appropriate to itself the representation of a woman. The question whether the elements which make up a trade mark may be freely used by other competitors does not form part of the examination of the distinctive character of the figurative elements of a trade mark (see, by way of analogy, Case C-329/02 P *SAT.1 v OHIM* [2004] ECR I-8317, paragraph 36). The only relevant issue in that examination is whether the sign examined is distinctive or not, a question which, as regards the seated woman, OHIM has already answered affirmatively.”

6) Lidl's evidence consists of four decisions of the opposition division of the Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM). Lidl is the opponent in all four cases and is relying upon the trade mark TRONIC. Lidl states that:

"These decisions confirm that at Community level the fact that later marks containing the element "TRONIC" for identical or similar goods would be seen as confusingly similar to the Opponent's trade mark TRONIC and OHIM has, therefore, rejected subsequent marks containing the Opponent's trade mark TRONIC".

It would appear that Lidl is effectively claiming some form of issue estoppel in relation to different trade marks, involving different parties, different goods and in a different jurisdiction, from decisions that do not have persuasive value. Clearly there can be no form of issue estoppel. I have to consider the trade marks before me and the goods before me in the context of the United Kingdom. I have read the decisions and considered the points made by the opposition division of OHIM; that is far as the matter goes. I would also note that "confusingly similar" is an unfortunate term used by some in the United Kingdom. It has no basis in the Directive⁴ or the Act. I do not believe that the European Court of Justice (ECJ) has ever used this term; I believe that the Court of First Instance has used this term once in its findings (Case T-214/04). As has been stated by the CFI on a number of occasions, the test for likelihood of confusion involves a cumulative process⁵. Confusion is something that is considered after the similarity of the signs and the similarity of the goods and services have been considered. Similarity, even identity, of signs is not to be equated with confusion; I am not going to confuse a Polo car with a Polo mint or a garment produced by Ralph Lauren.

⁴ First Council Directive 89/104 of December 21, 1988.

⁵ See for instance: *Alecansan, SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-202/03:

"35 However, a likelihood of confusion within the meaning of Article 8(1)(b) of Regulation No 40/94 presupposes both that the mark applied for and the earlier mark are identical or similar, and that the goods or services referred to in the application for registration are identical or similar to those in respect of which the earlier mark is registered. Those conditions are cumulative (*Canon*, paragraph 22, concerning the provisions of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), and Case C-106/03 P *Vedial v OHIM* [2004] ECR I-9573, paragraph 51, concerning Article 8(1)(b) of Regulation No 40/94). Thus, even where the sign applied for is identical to a mark which is highly distinctive, it must be established that the goods or services covered by the opposing marks are similar (judgment of 1 March 2005 in Case T-169/03 *Sergio Rossi v OHIM– Sissi Rossi (SISSI ROSSI)* [2005] ECR II-0000, paragraph 53; see also, by analogy, *Canon*, paragraph 22)."

Comparison of goods

7) The goods of the application are:

visual display units; touch sensitive display screens; apparatus for recording, transmission or reproduction of sound or images; data processing equipment and computers; computer hardware; computer software; computer hardware associated with touch sensitive display screens; computer software associated with touch sensitive display screens; optical filters; glass; visors; parts and fittings for all the aforementioned goods.

The goods of the earlier registration are:

telephone apparatus, telefax apparatus, answering machines, pocket calculators, photographic and optical apparatus; cameras, objectives, binoculars, apparatus for recording, transmission and reproduction of sound and images; camcorders, radios, cassette recorders, CD players, TV/video apparatus as well as combinations thereof; flat irons; alcohol testers, electric devices for killing insects, electric battery chargers, vacuum cleaners.

8) In its written submissions Lidl states:

“20. It is submitted that the goods “Visual display units, touch sensitive display screens; apparatus for recording, transmission or reproduction of sound or images;” of the Applicant are self-evidently identical or similar to “telephone apparatus, telefax apparatus, answering machines” and “apparatus for recording, transmission and reproduction of sound and images; camcorders, radios, cassette recorders, CD players, TV/video apparatus as well as combinations thereof” of the Opponent.

21. The goods “data processing equipment and computers; computer hardware; computer software; computer hardware associated with touch sensitive display screens; computer software associated with touch sensitive display screens; optical filters; glass; visors; parts and fittings for all the aforesaid goods” it is submitted, are also identical or at least similar to the above goods of the Opponent in that they would either form a component part of all of some of the goods or they would be sold in connection with such goods to the same consumers of such goods or in the same type of shop as each other or through the same trade channels.”

These submissions are assertions rather than analysis. I am somewhat bemused by the idea of similarity or identity between vacuum cleaners and electrical devices for killing insects and the goods of the application.

9) In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose⁶, their method of use and whether they are in competition with each other or are complementary⁷. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J gave guidance as to how similarity should be assessed⁸. In relation to construing words in a trade mark specification “one is concerned with how the product is, as a practical matter, regarded for the purposes of trade”⁹. One should not give words in a specification an **unnaturally** narrow meaning¹⁰. Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 are also useful to bear in mind:

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

The argument that goods are similar to other goods simply because they could be components or be used in connection with the latter goods is spurious. As the

⁶ The earlier incorrect translation of ‘Verwendungszweck’ in the English version of the judgment has now been corrected.

⁷ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

⁸ 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.”

⁹ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

¹⁰ *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

CFI stated in *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-336/03*:

“61 The applicant’s arguments can only be rejected. It is true that computers in different forms are necessary for the proper operation of ‘instruments and installations for telecommunication’ and ‘telephone-answering service (for temporarily absent subscribers)’ may occasionally be supplied by the body which manufactures the necessary equipment, but that is not enough to conclude that those goods and services are similar, still less ‘very similar’. The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

10) *Apparatus for recording, transmission and reproduction of sound and images* of the earlier registration are clearly identical to *apparatus for recording, transmission or reproduction of sound or images*. *Visual display units and touch sensitive display screens* must be included in the above goods of the earlier registration. *Optical filters* of the application must be included in *photographic and optical apparatus* of the earlier registration. Consequently, all the goods under consideration in this paragraph are identical.

11) *Glass* of the application will include optical glass, much photographic and optical apparatus requires optical glass, optical glass will of its nature appear in such equipment. There is a symbiotic and mutually dependent relationship. I consider that *glass* of the application is complementary to *photographic and optical apparatus* of the earlier registration. The complementary nature of the respective goods is such that there is a high degree of similarity.

12) *Computer hardware associated with touch sensitive display screens; computer software associated with touch sensitive display screens* are clearly closely linked to display screens which are in their turn, as stated above, included in *apparatus for recording, transmission and reproduction of sound and images*. The terms of the specification establish a dependent relationship, if not necessarily a mutually dependent relationship. This relationship means that the respective goods are likely to be sold in the same outlets, have the same channels of trade, have the same users, have the same purpose and be complementary. Consequently, they are highly similar. The general terms *data processing equipment and computers, computer hardware and computer software* must include *computer hardware associated with touch sensitive display screens; computer software associated with touch sensitive display screens* and so the former goods are also highly similar.

13) *Visors* of the application will include: anti-glare visors, protective visors and sun visors. I cannot see that there are any meaningful conjunctions between

such goods and the goods of the earlier registration, considering the matter within the parameters of the case law. So I find that *visors* are not similar to any of the class 9 goods of the earlier registration.

14) In its submissions ZDL makes reference to its goods stating that they are “highly specialised touch screens for industrial manufacturers”. This ignores the specification that has been filed, which is what has to be considered. (I am not sure what is meant by “highly specialised”.) ZDL submits that Lidl’s goods are household goods, the goods of the earlier registration are not so limited and must be considered in their full breadth¹¹.

15) So with the exception of *visors* the respective goods are either identical or highly similar.

Average, relevant consumer and the purchasing process

16) The conflicting goods, as defined in the specifications, could be goods purchased by the public at large. (There, clearly, could be specialist consumers who will bring more attention and knowledge to the purchase.) I have to consider the full gamut of the specification. Lidl’s best position will be where the average, relevant consumer (arc) is the general public and so I will consider the case on this basis. The nature of the conflicting goods is such that they are unlikely to be the subject of an impulse purchase. It is likely that a purchasing decision will be careful and educated; this will militate, to some extent, against the effects of imperfect recollection.

Comparison of trade marks

17) The trade marks to be compared are:

Trade mark of Lidl:

Trade mark of ZDL:

TRONIC

ZYTRONIC

18) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details¹². The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant

¹¹ The CFI has held in a number of cases that current marketing strategies cannot be taken into account; it is the actual specifications that have to be considered, see, for instance: *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2003] ETMR 61, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 147/03* and *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04*.

¹² *Sabel BV v Puma AG* [1998] RPC 199.

components¹³. Consequently, I must not indulge in an artificial dissection of the trade marks, although I need to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant¹⁴. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public¹⁵.

19) To state the obvious, ZYTRONIC includes TRONIC and consequently there must be some visual and phonetic similarity.

20) ZDL claims that TRONIC is a well-known contracted version of electronic. It is not well-known to me; it is not a notorious fact and not something that I can accept on the basis of judicial notice. There is no evidence to support this claim, it is mere assertion. If it is well-known, it should have been simple enough for ZDL to furnish evidence of this through such things as dictionary references and use in the trade. I consider that both trade marks must be considered to be invented words, consequently there are no conceptual associations to be considered.

21) There is no clearly separate, distinctive and dominant component in either trade mark. However, the ZY element of ZDL's trade mark, appearing at the beginning, will have a definite effect on the perception of the average, relevant consumer. It is an element that is completely alien to Lidl's trade mark and will be noticed both visually and orally. At the same time there is no reason for the arc to split ZDL's trade mark up into the ZY and TRONIC elements.

There is a degree of similarity between the respective trade marks but also an element that clearly distinguishes them.

Conclusion

22) 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 versa¹⁶. In this case, with the exception of *visors*, the respective goods are either identical or highly similar. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive

¹³ *Sabel BV v Puma AG* [1998] RPC 199.

¹⁴ *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

¹⁵ *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

¹⁶ *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117.

the earlier trade mark the greater the likelihood of confusion¹⁷. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public¹⁸. 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 or services from those of other undertakings¹⁹. There has been argument between the parties as to the distinctiveness of the earlier trade mark. ZDL has made assertions, unsupported by evidence, as to the limited distinctiveness of TRONIC. Lidl, unsurprisingly, disputes these assertions. In the absence of evidence I can only consider that matter on the basis of how I consider the arc will view the trade mark. The public do not indulge in the analysis of trade marks, they have better things to do with their time than ponder the derivations of trade marks. On seeing, or hearing, TRONIC for the respective goods I consider that the arc will just perceive an invented word. I do not consider that the arc will perceive it as a direct reference to electronic or necessarily even allusive to electronic; that certainly was not my impression. I consider that TRONIC has a good capacity for identifying the goods for which it is registered as coming from one particular undertaking. Consequently, TRONIC enjoys a good degree of inherent distinctiveness.

23) ZDL in its submissions has referred to the preliminary indication. I am obliged to take no cognisance of the preliminary indication²⁰. ZDL's arguments in relation to the distinctiveness of Lidl's trade mark are based, to some extent, on disregarding the similarity of the trade marks and concentrating on the distinctiveness of the earlier trade mark; an approach that did not find approval

¹⁷ *Sabel BV v Puma AG* [1998] RPC 199.

¹⁸ *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91.

¹⁹ *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

²⁰ Lindsay J in *esure Insurance Limited v Direct Line Insurance plc* [2007] EWHC 1557 (Ch):

"As a subsidiary argument, esure argues before me that the Hearing Officer was wrong to reject the Registrar's preliminary view in the way that he did. Mr Hobbs, drawing attention to the Rules to which I have referred and also to Article 6 ECHR, argues that the Hearing Officer was right in doing as he did. I have no doubt but that the Hearing Officer was right to do as he did. The Registrar's view was arrived at before there was any evidence on either side, before there was any argument on either side and in a context in which it could not be regarded as a decision against the interests of either side without the prospective loser being given an opportunity to be heard, an opportunity which was not given. So far from it being an error of principle to fail to take the Registrar's preliminary view into account, it would, in my judgment, have been a serious error of principle for it to have been taken into account."

from the ECJ in *L'Oréal SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-235/05 P*²¹.

In the global appreciation of likelihood of confusion there are many things in favour of Lidl. However, there is one thing that is very much against it: the difference in the trade marks. The ZY element does have an enormous effect, it does distinguish between the two trade marks; it creates a trade mark that does not bring to mind the trade mark of Lidl, in combination with TRONIC it creates a separate and unified entity. ZDL's case is further strengthened by the nature of the arc and the consequent purchasing decision, which will further militate against confusion. I do not consider that the effects of imperfect recollection will give rise to confusion.

24) The opposition is dismissed.

²¹ "45 The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders."

COSTS

25) ZDL has been successful and is entitled to a contribution towards its costs. Owing to its nature, ZDL will not receive any compensation for its own evidence. The costs for considering the notice of opposition and the statement of case in reply reflect the nature of the documents. I award costs on the following basis:

Considering notice of opposition	£100
Statement of case in reply	£100
Considering evidence of the other side	£50
Written submissions	£100
TOTAL	£350

I order Lidl Stiftung & Co KG to pay Zytronic Displays Limited the sum of £350. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of September 2008

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