

O-289-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2346813
BY EVEREADY (PROPRIETARY) LIMITED
TO REGISTER THE TRADE MARK
ECOCELL
IN CLASSES 9 & 11**

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 92808
BY LIDL STIFTUNG & CO KG**

BACKGROUND

1) On 23 October 2003, Eveready (Proprietary) Limited, of Eveready Road, Struandale, Port Elizabeth, Eastern Cape, Republic of South Africa applied under the Trade Marks Act 1994 for registration of the trade mark ECOCELL in respect of the following goods:

In Class 9: “Batteries for torches and small appliances”.

In Class 11: “Torches and flash-lights”.

2) On 20 September 2004 Lidl Stiftung & Co KG of Stiftsbergstrasse 1, D-74167 Neckarsulm, Germany filed notice of opposition to the application. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Effective date	Class	Specification
AEROCELL	CTM 2234292	24.05.01	9	Electric batteries
AEROCELL	M462382	10.11.97	9	Dry cells

b) The opponent claims that the goods are identical and/or similar and that the marks are confusingly similar. The opponent also claims to have used its marks in the UK in respect of dry cells and electric batteries. The mark therefore offends against Section 5(2)(b) and 5(3) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying the opponent’s claims and also puts the opponent to proof of use.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Neither side wished to be heard although both provided written submissions which I shall refer to as and when required in the course of my decision.

OPPONENT’S EVIDENCE

5) The opponent filed a witness statement, dated 19 May 2005, by Peter Fischer the Managing Director of Lidl Stiftung & Co Beteiligungs-GmbH, which is a general partner of the applicant company. He states that his company first used the mark AEROCELL in relation to a range of different types of battery in the UK in October 2002 and has used them in the UK since this date. He states that his company has more than 330 stores throughout the UK and that they all sell batteries under the mark AEROCELL.

6) Mr Fischer provides sales figures for batteries sold under the mark AEROCELL in the UK as follows:

Period	Amount £
01/10/02 – 31/12/02	1,236,243
01/01/03 – 31/12/03	3,822,143
01/01/04 – 06/12/04	10,876,645

7) He states that his company spends £20,000 per annum in promoting the mark AEROCELL. At exhibit MK2 he provides an example of the advertisements used. This consists of two leaflets with pictures of goods and prices. They are dated “8 Nov” and “17 June”. Both show batteries of various sizes on offer under the AEROCELL mark.

APPLICANT’S EVIDENCE

8) The applicant filed two witness statements dated 19 September 2005 and 14 October 2005, by Gillian Helen Smaggasgale, the applicant’s Trade Mark Attorney. She states that in relation to the claims by the opponent to have sold batteries throughout the UK and the sales figures provided that “no evidence has been provided to support the assertions made”. She states that the annual sales figures provided represent approximately 0.0001% of the UK market for batteries. Ms Smaggasgale also states that the leaflet provided is an instore magazine and that the opponent only sells its products in its own stores. She also provides a list of trade marks from the register which have the suffix CELL and which are registered for goods in Class 9. She also provides the result of an internet search for AEROCELL which shows a number of websites, none of which belong to the opponent.

9) Ms Smaggasgale also provides an extract from the Mintel International Group website which has a report on the UK battery market. She states that this shows the market in 2003 to be worth £0.75 billion which means that the opponent enjoyed a less than 0.5% market share. Despite this contradicting her earlier assertions she does not comment on the discrepancy.

OPPONENT’S EVIDENCE IN REPLY

10) The opponent filed a witness statement, dated 19 December 2005, by Alison Elizabeth Fraser Simpson the opponent’s Trade Mark Attorney. At exhibit AEFS1 she provides copies of delivery notes for shipment of goods bearing the AEROCELL mark to the UK. She also provides a list showing a selection of the 330 stores that the opponent has throughout the UK and refers to a website where all of the stores are listed.

11) That concludes my review of the evidence. I now turn to the decision.

DECISION

12) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)....

(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.”

13) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

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

14) The opponent is relying upon two trade marks International Trade Mark No. 462382 which has an effective date of 10 November 1997 and Community Trade Mark No. 2234292 which has an effective date of 24 May 2001. Both are clearly earlier trade marks.

15) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG and Adidas Benelux B.V.* [2000] E.T.M.R 723. It is clear from these cases that:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*;
- (b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux B.V.*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

16) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the applicant's mark and the marks relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

17) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

18) I also have to consider whether the marks that the opponent is relying upon have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The opponent's marks consists of the same word AEROCELL. The opponent has shown sales figures which in terms of market share are not adequate to achieve enhanced protection given the size of the UK battery market. I also take into account the absence of any other evidence such as from the trade to back up the claims of reputation. The opponent cannot benefit from an enhanced level of protection due to reputation.

19) I also have to consider whether the opponent's marks are inherently distinctive. The marks are registered for goods in Class 9. The applicant has claimed that there are other marks on the register with the suffix CELL and also that there are other companies which have websites under the name AEROCELL. However, such "state of the register" evidence is of little relevance without evidence showing that the marks are used in the UK marketplace. Although I accept that the suffix CELL is, at the least, allusive to the goods which can be described as dry cells or battery cells, the marks as registered would appear to be inherently distinctive.

20) I shall first consider the specifications of both parties. For ease of reference these are as follows:

Applicant's specification	Opponent's specification
Class 9: Batteries for torches and small appliances.	CTM 2234292 Class 9: Electric batteries
Class 11: Torches and flash-lights.	M462382 Class 9: Dry cells.

21) In carrying out the comparison of the specifications of the two parties I take into account the factors referred to in the opinion of the Advocate General in *Canon* [1999] ETMR 1. In its judgement, the ECJ stated at page 6 paragraph 23:

"23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, intended purpose and their method of use and whether they are in competition with each other or are complementary."

22) Clearly, the applicant's goods in class 9 are identical to the opponent's Class 9 goods. Equally clearly the applicant's goods in Class 11 are different to the opponent's goods in Class 9. Although the users are the same and they are complimentary, their nature and uses are totally different.

23) In considering the marks of the two parties I shall refer to the opponent's marks in the singular as they are identical. The marks of the two parties are as follows:

Applicant's mark	Opponent's mark
ECOCELL	AEROCELL

24) Visually and phonetically the marks share the same ending in the word CELL. However, the initial part of the marks are completely different. Both marks have three syllables. The applicant's mark breaks down into "E", "CO" and "CELL" whilst the opponent's mark is "AIR", "O" and "CELL". Both parties marks are made up of well known and frequently used words. ECO would be seen as short for ecological, or ecology. Either way the shorthand version which is in common use is ECO. Similarly, the opponent's mark begins with the word "AERO" which is used as in AEROPLANE, or even the chocolate bar. I can therefore be reasonably certain as to the pronunciation which the average consumer would use in respect of each of these marks. It is accepted that the beginnings of marks assume more importance than the endings particularly when the suffix used is descriptive of the product as is the case here.

25) Conceptually, the marks convey different images. The applicant's mark suggests a "green" or environmentally friendly product whilst the opponent's mark suggests a connection to aircraft and the aero industry which implies that it is of a higher engineering quality.

26) I must also consider the average consumer for the types of goods covered by the specifications of both parties. In my opinion, they would be the general public who I take to be reasonably well informed and reasonably circumspect and observant. In my view, batteries or torches are not purchased without some consideration as the battery size needs to be correct and it is well known that there are longer lasting batteries on sale as well as standard types. Although I must take into account the concept of imperfect recollection.

27) Taking account of all of the above when considering the marks globally, I believe that there is not a likelihood of consumers being confused into believing that the goods provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore fails.

28) I now turn to the ground of opposition under Section 5(3) of the Act which in its original form reads:

"5-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the 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."

29) By virtue of regulation 7 of the Trade Mark (Proof of Use, etc) Regulations 2004, Section 5(3)(b) has now been repealed. The equivalent provision in Section 10 of the Act dealing with infringement has also been amended. As the explanatory note

indicates:

"These amendments implement the decision of the European Court of Justice in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* of 9th January 2003 (C-292/00) which was confirmed by its decision in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* of 23rd October 2003 (C-408/01). Those decisions determined that Article 5(2) of the Directive, which on the face of it, grants a right to the proprietor of a trade mark to prevent third parties from using an identical or similar trade mark in relation to goods or services which are *not similar* where the earlier trade mark has a reputation and use of that sign takes unfair advantage or is detrimental to the distinctive character of that earlier trade mark, also applies to goods or services which are similar or identical to those for which the earlier trade mark is registered."

30) The opponents' claim here is based on the fact that the respective goods are similar.

31) The scope of the Section has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] RPC 767, *Daimler Chrysler v Alavi (Merc)* 2001 [RPC] 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (Visa)* 2000 RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK)Plc* [2004] EWHC 1623 (Ch) and *Electrocoin Automatics Limited and Coinworld Limited and others* [2004] EWHC 1498 (Ch).

32) In relation to reputation under Section 5(3), *General Motors Corporation v Yplon SA* [2000] RPC 572 paragraphs 26 & 27 indicate the standard that must be reached:-

"26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it."

33) This test sets out a high threshold, and the onus is upon the opponent to prove that its trade mark enjoys a reputation or public recognition. In the present case whilst I am prepared to accept that there is likely to be some awareness and recognition of the opponent's trade mark in relation to batteries, I am unable to say with any confidence that the opponent's AEROCELL mark is known by a significant part of the public concerned, given the size of the market for such goods and the market share enjoyed by the opponent.

34) Taking into account the strict requirements which need to be satisfied under Section 5(3) to expand the parameters of "normal" trade mark protection I cannot find that the opponent has shown reputation under Section 5(3) of the Act and the opposition under Section 5(3) must fail on this basis.

35) However, in case I am wrong on this I will go onto consider the opponent's contentions regarding detriment.

36) I note the following comment from Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2004] EWCH 1498 (Ch):

“ 102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

37) It seems to me that the opponent has singularly failed to show that the use of the mark in suit on the goods which are identical to its own would cause detriment. I believe that this is a case where use of the mark in suit on batteries would not call to mind the opponent's mark and its claimed reputation for batteries. However, even if it did I do not believe that it would affect the consumer's economic behaviour or damage the opponent's mark by tarnishing or blurring. The opposition under Section 5(3) of the Act fails.

COSTS

38) As the opponent was unsuccessful the applicant is entitled to a contribution towards its costs. I order the opponent to pay the applicant the sum of £1,500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of October 2006

**George W Salthouse
For the Registrar,
the Comptroller-General**