

O-314-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2338980
BY METRIX ELECTRONICS LIMITED
TO REGISTER A TRADE MARK IN CLASS 9**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 92211
BY CHAUVIN ARNOUX UK LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2338980
by Metrix Electronics Limited to register a
Trade Mark in Class 9**

and

**IN THE MATTER OF Opposition thereto
under No. 92211 by Chauvin Arnoux UK Limited**

BACKGROUND

1. On 26 July 2003 Metrix Electronics Limited applied to register the following trade mark:



in Class 9 of the Register for a specification of:

“Digital multimeters; analogue multimeters; air/humidity testers; airflow testers; oscilloscopes analogue and digital; clamp meters analogue and digital; power meters; panel meters analogue and digital; voltage detectors analogue and digital; thermometers; satellite field strength meters; function generators; frequency counters.”

2. The application was subsequently published in the Trade Marks Journal and on 19 December 2003 Chauvin Arnoux UK Limited filed a Notice of Opposition under Section 5(4)(a) of the Act on the ground that the mark applied for is similar to the trade mark METRIX owned by the opponent which covers identical and similar goods and the adoption of the mark by the applicant and use of the mark by the applicant would constitute a misrepresentation, cause confusion with the opponent’s mark and damage to the opponent.

3. The applicant filed its Counterstatement denying the grounds of opposition stating that it and its predecessor in title had used the mark METRIX since 1995 and that it had already registered “METRIX ELECTRONICS PLC” in Class 9 under No. 2043960 dated 8 November 1995.

4. Both parties have filed evidence and ask for an award of costs in their favour. They are content for a decision to be taken without recourse to a hearing and the opponent has forwarded written submission for the hearing officer’s attention.

EVIDENCE

Opponent's Evidence

5. The opponent's evidence consists of a declaration by Axel Arnoux dated 30 September 2004. Mr Arnoux is the General Manager of Chauvin Arnoux, the opponent company.
6. Mr Arnoux provides a history of his company which was founded in France in 1893 and he explains that in 1997 his company acquired by order of the "Tribunal de Grande Instance (Court of First Instance) of Annecy the business assets of the French company SA METRIX in receivership. At Exhibit AA2 to Mr Arnoux's declaration is a copy of the agreement between the Official Receiver and his company, together with a translation into the English language. Mr Arnoux noted that this specifically included the assets of SA METRIX, notably the METRIX brand names in France and abroad free from security.
7. Referring to the prior history of SA METRIX, Mr Arnoux states that in about 1964 it was sold to the US corporation ITT who owned the business up to 1994 and was active selling throughout the world, including the UK., under a stylised trade mark METRIX, a range of "electric test and measurement apparatus" including in particular 'digital multimeters, analogue multimeters, analogue oscilloscopes, clampmeters, power meters, function generators, volt meters, ohmmeters, ammeters'. Accompanying his Declaration, as Exhibit AA3, is a bundle of brochures and leaflets issued by ITT to illustrate the range of products in respect of which they used the mark 'metrix' from 1983 to 1994.
8. Mr Arnoux understands that in 1994 ITT sold SA METRIX to the French company 'General Electronic Measures', a division of 'Group GMME' a subsidiary of which is the French company SEFRAM. He also understands that also in 1995 'Group GMME', in collaboration with the English company 'Robin Electronics Limited', established the English company 'Metrix Electronics Plc' (now known as 'Metric Electronics Limited', the applicant in the proceedings in suit and hereinafter referred to as simply 'Metrix Electronics') to act as distributor in the United Kingdom of the 'metrix' branded products manufactured by SA METRIX in addition to products manufactured by other 'Group GMME' companies such as SEFRAM. He believes that at no time since their incorporation in 1995 have Metrix Electronics themselves manufactured, or obtained from a manufacturer other than SA METRIX, products to which they themselves have applied, or caused to have applied, the trade mark 'metrix', 'metrix electronics' or 'metrix electronics plc'. Mr Arnoux states that the products supplied to them by SA METRIX during the years 1995 to 1997 came ready branded with 'metrix' for them simply to supply to UK customers.
9. Mr Arnoux goes on to state that when his company acquired intangible assets of SA METRIX in July 1997 the supply of 'metrix' branded products to Metrix Electronics ceased. Instead the 'metrix' branded products of SA METRIX were supplied to 'Chauvin Arnoux UK Limited' (hereinafter referred to as 'CA UK'), the wholly-owned subsidiary of his company, incorporated in March 1986 to distribute the products of his company in the UK. 'CA UK' have exclusively distributed the 'metrix' branded products of SA METRIX in the UK from around July 1997 continuously up to the present date. Mr Arnoux confirms that, the 'metrix' branded products are essentially 'electrical test and measurement apparatus' and include 'analogue and/or digital multimeters, multimeter clamps, analogue and/or digital oscilloscopes, power meters, function generators, ammeters, voltmeters'.

10. Mr Arnoux states that the retail value of the 'metrix' branded products sold by 'CA UK' in the United Kingdom during the years 1997 to 2003 are as follows:

YEAR	TURNOVER BY RETAIL VALUE (£'s)
1997	160,812.00
1998	590,217.00
1999	346,648.00
2000	566,976.00
2001	607,332.00
2002	414,335.00
2003	261,410.00
TOTAL (7 years)	2,947,730.00

11. Turning to the budget for promoting and advertising the 'metrix' branded products in the UK Mr Arnoux declares it to be approximately 1½% to 2½% of annual turnover. Consequently, he estimates that since July 1997 some £45,000 to £60,000 has been spent on promotion and advertising in the UK. Furthermore, the 'metrix' brand is used on the website (<http://www.chauvin-arnoux.com>) and is applied directly to the products and is also used on their packing and labels, as well as being used on stationery and invoices and appears in brochures, leaflets and other such material promoting the products. At Exhibit AA4 to Mr Arnoux's declaration is a bundle of material consisting of copies of press and magazine reviews and releases for the years 1999 and 2000 regarding the availability of 'metrix' branded products in the UK. Furthermore, at Exhibit AA5 is a selection of pages from the website of his company to illustrate a selection of 'metrix' products.

12. Next, Mr Arnoux declares that his company is the holder of International Trade Mark Registration No. 343002 for the stylised mark 'metrix' in respect of goods and services in Classes 9, 14, 35, 37, 38 and 42. That registration does not designate the United Kingdom but was first registered on 8 March 1968 to 'Compagnie Générale De Métrologie' of Annecy. Its assignment to 'Societe des Produits Industriels ITT' was registered on 8 September 1972. A change of name of that owner to 'ITT Composants et Instruments' was recorded on 9 June 1980. Subsequently, its ownership was assigned to 'Metrix' recorded on 20 March 1995. On the 4 March 1998 its assignment to its current owner 'Chauvin Arnoux' (his company) was recorded. He also draws attention to the registration of METRIX (stylised) in France, which was filed in 1947.

13. Mr Arnoux concludes by stating that since the beginning of 2003 his company has been developing and producing under the brand MULTIMETRIX a range of products similar to the METRIX products range.

Applicant's Evidence

14. The applicant's evidence consists of a statutory declaration by Peter Rummer dated 7 January 2005 and a witness statement by Sally Ann Schupke dated 5 January 2005.

15. Mr Rummer is the Managing Director of Metrix Electronics Limited (MEP), the applicant company.

16. Mr Rummer begins his Declaration by setting out the history of the company MEP, its associations and parent companies. It starts in 1995 when, Mr Rummer states, MEP/GMME opened a distribution sales office in Kingswinford in the West Midlands with new staff and a Project Sales Office within the Robin Electronics Ltd Offices in Watford. Exhibit “PR2” to Mr Rummer’s declaration is the announcement published in the weekly journal Electronics Times, dated 15 February 1996. He adds that Metrix Electronics Plc filed a trade mark application for its name in respect of a list of Class 9 products on 8 November 1995. It was registered on the 27 September 1996 under No. 2043960 Details are shown in the Exhibit “PR3” attached to the declaration.

17. Mr Rummer explains that MEP was responsible for sales, marketing and after sales support of all GMME group measurements products in the UK and Irish markets. In addition, they were free to independently source products – particularly for major distributor customers (such as RS Components and Farnell) and major project sales (including the Ministry of Defence). Group products were initially sourced from Metrix and Sefram in France, Mueller & Weigert, Neuberger and Elditest in Germany, and B&K Precision in the USA. [Attached as Exhibit “PR4” to Mr Rummer’s declaration is the GMME history and group organisation for a Press Conference dated 13 June 1997.] He adds that most of these independently sourced products were specially branded for MEP and many were, and continue to be, branded “Metrix Electronics”. Attached as Exhibits “PR5” are photos and operating manual covers for the example models: MX 4900 installation tester, GX 5000 pulse generator, and MX 67 circuit tester.

18. Mr Rummer goes on to state that this broad activity continued until 1997, when the Metrix division of GMME in France went into administration and was sold by the receiver to Chauvin Arnoux – a French organisation. This became effective in July 1997. At that time, and after meetings in the UK with Chauvin Arnoux, MEP ceased to sell the Metrix products that had transferred to Chauvin Arnoux and referred all customer enquiries to the UK office of Chauvin Arnoux.

19. Mr Rummer declares that Chauvin Arnoux did not acquire any part of Metrix Electronics plc, its business, its name, or its registered trade mark, as part of its acquisition of the Metrix division of GMME in France during 1997. All these elements remained the property of MEP and its shareholders – Robin Electronics Ltd and GMME. He adds that following Chauvin Arnoux’s acquisition of metrix France in 1997, MEP, and later MEL (Metrix Electronics Limited) continued to sell all GMME products, except those sourced from metrix France. These included substantial quantities and values of the “Metrix Electronics” branded products. Exhibit “PR6” to Mr Rummert’s declaration is a spreadsheet showing MEP and MEL total sales and “Metrix Electronics” branded element of sales over the 8-years from 1996.

20. Mr Rummer explains that during 1999 the shareholders of Robin Electronics completed negotiations to sell their company and Watford offices to the Danaher Corporation of the USA to be integrated with their subsidiary Fluke. To facilitate a ‘clean sale’, the MEP Kingswinford sales office was closed, its staff made redundant and the 50% Robin Electronics shareholding in Metrix Electronics Plc was converted to personal shareholdings of the Robin Electronics’ shareholders. At this time GMME also revaluated their UK shareholding in MEP. It was subsequently decided by all the shareholders that, MEP would cease trading and that Mr Rummer should form Metrix Electronics Limited (MEL) and take on the residual business in the UK and Irish markets. MEL commenced trading on 1 October

1999 from the Robin Electronics Ltd offices in Watford, and then relocated during November 1999 to offices in Basingstoke.

21. Turning to the declaration of Mr Arnoux, Mr Rummer points out that as Mr Arnoux states in his paragraph (5) of his declaration dated 30 September 2004, Metrix is a long established French company that the ITT Corporation acquired. In his experience, since 1986, the products from Metrix in France were generally dual branded “metrix” and “ITT INSTRUMENTS”. However, this ceased in about 1994, following the sale by ITT of Metrix in France to GMME. With reference to Mr Arnoux’s paragraph (6) of his declaration dated 30 September 2004, Mr Rummer states that there are two errors, the second of which is significant:

- “a. There is a typographical error in line 5: (now known as ‘Metric ...’). Should be (now known as ‘Metrix ...’).

- b. Mr Arnoux is wrong in his belief, starting on line 8, that at no time since their incorporation in 1995 have Metrix Electronics themselves manufactured, or obtained from a manufacturer other than SA METRIX, products to which they themselves have applied, or caused to have applied, the trade mark ‘metrix’, ‘metrix electronics’ or ‘metrix electronics plc’. In fact, significant sales of products under the subject mark “Metrix Electronics” have been made in the United Kingdom as shown in the sales turnover figures produced with this declaration. [See Exhibit “PR6”.]”

22. With regard to Mr Arnoux’s paragraph (9) in his declaration dated 30 September 2004, Mr Rummer notes that Chauvin Arnoux describe their sales as “turnover by retail value” – which he considers to be misleading. Mr Rummer believes that much of their business would be through wholesalers and distributors, from which he concludes that their “retail sales” value is calculated at end-user prices, and not the wholesaler or distributor purchase prices. As typical wholesaler and distributor discounts for this type of product in the UK market average around 35%. He estimates that the actual Chauvin Arnoux invoiced sales values have been enhanced by around 50% to reach the stated “retail values”. Therefore in his Exhibit “PR6” Mr Rummer had included, for comparison, “equivalent retail values” for the actual MEP and MEL turnover values – based on average resale discounts from list prices.

23. Mr Rummer states that his company’s customers are geographically spread throughout the UK and Ireland. They include the largest electrical and electronic industry distributors (RS Components and Farnell In One); many branches of electrical wholesalers; specialist industrial distributors; the Ministry of Defence and numerous direct customers in the electrical, electronic, educational, industrial control, process control, pharmaceutical, laboratory, service and maintenance market sectors.

24. Mr Rummer declares that over the last eight years the total promotional expenditure of MEP and MEL is around £177,400, based on actual management accounts. He confirms that when MEP commenced promotional and advertising activities in 1996 the expenditure was £88,500 for the year, as it was important to make customers aware of the new company name. He adds that the promotional activities of MEP and MEL have included: advertising and press promotions in trade journals; exhibitions; mail shots; e-mail shots; producing, maintaining and promoting a website; and the like. In recent years his company has focused its promotion into regular space adverts in trade journals; targeted direct mail and-mail

product promotions; promotional gifts; and the development and further promotion of its website. Attached at Exhibit “PR7” are samples of some of this promotional material.

25. Mr Rummer states that his company registered its website domain name www.metrix-electronics.com on the 8 November 1999. The web pages were developed and went live in June 2000. The stylised “Metrix Electronics” Logo (the subject of this Trade Mark Application) was developed as part of the initial web page creation and was first used in June 2000. Also contained in the Exhibit marked “PR7”, are sample advertisements and an archive printout of their web page at 30 March 2001 showing use of the subject mark.

26. Mr Rummer states that the Exhibits shows that his company has been trading since 1995 initially under the name Metrix Electronics Plc and then the assets including goodwill and name transferred to him in September 1999. At that time he formed the Limited Company Metrix Electronics Limited, and although his company owned the Registered Trade Mark No 2043960 “Metrix Electronics Plc” (words), it was no longer really suitable as there had been a name change from “plc” to “Limited”. He explains that while this is a minor difference from the public point of view, it was felt that it would be good to develop the name “Metrix Electronics” into a stylised form, which is the subject of this application.

27. Mr Rummer is aware of the activities of the opponent but, from Mr Arnoux’s Declaration of 30 September 2004, he does not believe that their activities in the UK are extensive to such a degree that customers seeing the subject mark would be confused. He notes that the stated turnover (Mr Arnoux’s paragraph 9 refers) is just £261,410 for 2003, which, he states, is hardly overwhelming.

28. Turning to International Registration No. 343002, Mr Rummer states that this does not cover the UK and, therefore, can be disregarded. He also notes that they hold a French Trade Mark Registration No.1344752 and states this can be disregarded as it does not cover any part of the territory of the United Kingdom of Great Britain and Northern Ireland.

29. Turning to some of Mr Arnoux’s exhibits marked “AA3” and “AA4”, Mr Rummer notes that some of the brochures and leaflets are in French which would not be easily understood by UK customers if these particular examples are intended to show that they were distributed to potential British consumers. Therefore he concludes that all the exhibits by Mr Arnoux have limited value as evidence as they are undated. For example, the copies of materials provided under exhibit “AA5” all appear to be dated 2004.

30. Finally Mr Rummer submits that, in view of his company’s past use, reputation and goodwill under the name “Metrix Electronics”, his company is entitled to registration in the UK of the subject application.

31. Ms Schupke is a trade mark agent employed by Chancery Trade Marks, the agents representing the applicant in these proceedings.

32. Ms Schupke states that the applicant has provided her with three names and addresses of firms that would know and recognise the mark in suit and confirm use of this mark by the applicant, these being:

Joseph Gleave & Son Limited of Manchester;

Amplicon Liveline Limited of Brighton; and

L C Automation Limited of Preston.

33. Ms Schupke attaches as Exhibit SAS 1 to her statement, copies of three letters received in reply from the companies listed above, all of whom recognise the mark in suit as belonging to the applicant company.

Opponent's Evidence in Reply

34. The opponent's evidence in reply consists of a witness statement by Alastair Rawlence dated 1 August 2005. Mr Rawlence is a trade mark attorney at Mewburn Ellis LLP, the opponent's representatives in these proceedings.

35. Mr Rawlence refers to that part of Mr Rummer's declaration where it is stated that:

'... I purchased the assets and goodwill – including the Metrix Electronics – name from Watford Liquidation. Furthermore, the evidence attached as Exhibit PR1 to Mr Rummer's Statutory Declaration states, at Clause 5 'Watford will sell to Metrix for, the whole of its Goodwill, together with all fixed and current assets'. Furthermore, at Clause 6, the aforementioned Exhibit PR1 states 'Goodwill will comprise the former name of Watford'. Mr Rawlence concludes that it is apparent from these statements that the acquired 'Goodwill' in this transaction related to the company name Metrix Electronics Plc and it appears that no trade marks were assigned with the transaction and in particular, the trade mark METRIX ELECTRONICS PLC of UK Registration No. 2338980.

36. Mr Rawlence goes on to refer to Exhibit AJR1 to his statement which consists of copies of extracts downloaded from Company's House website. He states that from these extracts the following points are clear:

- “(i) Metrix Electronics Plc changed its name to Watford Liquidations Plc on 22 September 2002. Watford Liquidations Plc was dissolved on 19 June 2001.
- (ii) Metrix Electronics Limited was incorporated on 22 September 2002.”

37. Mr Rawlence states that in item 1 of his Statutory Declaration, Peter Rummer states 'I have purchased the assets in goodwill – including the Metrix Electronics name – from Watford Liquidations Plc.'

38. Next, Mr Rawlence refers to references in Item 6 of the exhibit marked PR1 of the Statutory Declaration of Peter Rummer which states '*goodwill will comprise the former name of Watford*'. As we have seen from the attached Exhibit AJR1, the former name of Watford was of course, Metrix Electronics Plc. Mr Rawlence contends that if any rights were indeed acquired by Metrix Electronics Limited, it was 'unregistered rights' in the name Metrix Electronics Plc and not rights in the registered trade mark of UK Registration No. 2043960. Indeed, the lack of a suitable assignment of UK Registration No. 2043960 from the original registered proprietor, Metrix Electronics Plc up to Metrix Electronics Limited is apparent from the historical details of the registration which are captured on the UK Patent Office website and which are presented for convenience as Exhibit AJR2 to Mr Rawlence's Witness

statement. Mr Rawlence concludes that there had been (a) no change of company name from Metrix Electronics Plc to Metrix Electronics Limited and (b) no obvious assignment of UK Registration No. 2043960 up to Metrix Electronics Limited, such that the latter company are clearly incorrectly entered as the registered proprietor of this registration and there is doubt as to whether they actually took an assignment of the registration in the first place.

39. Mr Rawlence states that Metrix Electronics Limited's use of the mark METRIX ELECTRONICS PLC of UK Registration No. 2043960 must be put in doubt as one in any event cannot possibly conceive of a situation whereby a limited company could legitimately use a trade mark consisting of the name of a PLC. He adds that the mark METRIX ELECTRONICS PLC therefore cannot have been legitimately used by Metrix Electronics Limited and the registration is arguably invalid as of either (a) 19 June 2001- the date of dissolution of Watford Liquidations Plc or (b) 22 September 1999 being the date Metrix Electronics Plc changed its name to Watford Liquidations Plc. Mr Rawlence submits that Registration No. 2043960 is not relevant to these proceedings.

OPPONENT'S WRITTEN SUBMISSIONS

40. The opponent's written submissions are contained in a letter dated 12 October 2005 from Mewburn Ellis LLP, the opponent's representatives in these proceedings.

41. The opponent contends that it has established the necessary earlier right under Section 5(4)(a) of the Trade Marks Act 1994 to successfully oppose the mark of the application in suit by virtue of the law of passing off.

42. The opponent summarises the position to date, as follows:

“a) The mark metrix of the opponent was first used in the United Kingdom in respect of electrical test and measurement equipment during the 1960s by SA Metrix of France (“SA Metrix” had been acquired by US Corporation ITT (see paragraph 5 of the Statutory Declaration of Axel Arnoux).

b) In 1995, ITT sold SA Metrix to General Electronics Measures (a division of Group GMME). In 1995, Group GMME in collaboration with the English company Robin Electronics Limited established Metrix Electronics Plc to act as a *distributor* for “electronic test and measurement equipment and apparatus” branded with the metrix trade mark in the UK.

c) In 1997, SA Metrix was acquired by the French company Chauvin Arnoux (the parent company of the opponent in the current proceedings) who established a UK subsidiary, Chauvin Arnoux UK Limited to continue to market and distribute electronic test and measurement apparatus and equipment in the United Kingdom under the metrix trade mark.”

43. The opponent concludes that it is apparent that the mark METRIX of the opponent has been in continuous use in the United Kingdom by the opponent or by a predecessor in title in respect of “electronic test and measurement apparatus and equipment” continuously since the early 1960s until today's date.

44. Next, the opponent refers to paragraph 4 of the declaration of Axel Arnoux and the supporting Exhibit AA2 stating that is clear from these documents that the assets of SA Metrix (tangible and intangible) including rights to the mark metrix in France and abroad were assigned to the opponent company's French parent, "Chauvin Arnoux". In particular, it refers to the Sale of Business Agreement between SA Metrix and Chauvin Arnoux (a copy of which is attached as Exhibit AA" to the Statutory Declaration of Axel Arnoux) and submits that this sale of business agreement between the two companies should logically have transferred any unregistered trade mark rights in the mark metrix in the UK (as "intangible fixed assets" together with the goodwill of the business associated therewith) to Chauvin Arnoux.

45. Turning to the applicant's evidence in particular paragraph 13 of the Witness Statement of Peter Rimmer, the opponent points out that Mr Rimmer states that "my company has been trading since 1995 initially under the name Metrix Electronics plc and then the assets including goodwill and name transferred to myself in September 1999". The opponent states that it is not clear here what "name" Mr Rimmer is referring to and contends that Mr Rimmer cannot have acquired the "goodwill and name" in the metrix trade mark in 1999 as that mark had already been transferred to Chauvin Arnoux in 1997 as we have noted above.

46. The opponent further notes the comments of Peter Rimmer in his Witness Statement where, at item 4 he makes the following comments:

"..... after meetings in the UK with Chauvin Arnoux, MEP ceased to sell the metrix products that had been transferred to Chauvin Arnoux and referred all customer enquiries to the UK office of Chauvin Arnoux"

47. The opponent submits that it can claim effective ownership of rights in the name metrix in the United Kingdom dating back to the 1960s. It further submits that neither Metrix Electronics plc or Metrix Electronics Ltd have any rights to the trade mark metrix in the UK.

48. Although the opponent has not filed any independent evidence of reputation, from the evidence it has filed in these proceedings, the opponent contends that it is reasonable to assume that the name metrix will have established a reputation in the United Kingdom for electrical test and measurement apparatus and equipment given the following factors:

"i) The lengthy use of the mark in the UK since at least as early [sic] the 1960's until the present date.

j) The fact that the mark metrix has been used in the UK by the opponent (or its predecessors in title) in respect of specialist goods sold into relatively specialist technical markets such as the electronic engineering sector and the science departments of universities.

k) Sales of nearly £3 million of products under the metrix brand in the UK between 1997 and 2003 (as noted in the Statutory Declaration of Axel Arnoux at paragraph 9 thereof)."

49. The opponent submits that the Witness Statement and supporting Exhibit SAS1 of Sally Ann Schupke (filed in this opposition as evidence) reinforces rather than dilutes the notion of

the likelihood of the marks metrix (of the opponent) and Metrix Electronics plus logo (of the application in suit) being confused with one another.

50. Turning to the first letter filed as evidence in exhibit SAS1 (the letter of David Shaw of Joseph Gleave & Son Limited), this letter states that “we purchase multimeters from Metrix Electronics Limited and can confirm that the trade mark metrix is shown on the product and we recognise this trade mark as belonging to that company and no other. The opponent states that Mr Shaw confuses the opponent’s mark metrix with the mark metrix electronics plus logo of the application in suit.

51. The opponent points out that in the letter of Mark Busby of Amplicon Liveline Limited (also attached as evidence of Exhibit SAS1 to the Witness Statement of Sally-Anne Schupke), Mr Busby states “I confirm that I recognise the attached trade mark as belonging to Metrix Electronics Limited, Precision Enterprise, Rankin Road, Basingstoke. The opponent contends that it is hardly surprising that Mr Busby would recognise “the attached trade mark” as belonging to metrix Electronics Limited bearing in mind that the register extract attached to Mr Busby’s letter makes it quite clear who the applicant is. In further recognition of this fact, Mr Busby goes on to regurgitate Metrix’s address as given on the TM register extract in his letter. The opponent suggests that Mr Busby’s “evidence” be given very little weight accordingly.

52. Turning to the letter of Ken Davis of LC Automation Limited (also attached as Exhibit SAS1 to the Witness Statement of Sally-Anne Schupke), the opponent points out that Mr Davis also confirms that he recognises “the attached trade mark as belonging to metrix Electronic Limited, Precision Enterprise, Rankin Road, Basingstoke”. Mr Davies goes on to note that “we purchase electronic printers, counters and meters from Metrix Electronics Limited and can confirm that the trade mark METRIX is shown on the product and we recognise this trade mark as belonging to that company and no other”. The opponent states that Mr Davis, who claims to have known Metrix Electronics Limited since 1990 (odd, as the company was not incorporated until 1999) is clearly confused between the mark metrix of the opponent and the mark metrix electronics plus logo of the applicant. This is hardly surprising as in 1990, any products supplied to him under the name “metrix” would have been products of the opponent company (or rather its predecessor in title).

53. This concludes my summary of the evidence filed and the submissions received. I turn now to the decision.

DECISION

54. Section 5(4)(a) of the Act states:

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

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

- (b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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

55. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs states that:

"A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of England* 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

56. Thus, to succeed in a passing off action, it is necessary for the opponent to establish that at the relevant date (i) they had acquired goodwill under their mark, (ii) that use of the applicant's mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

Relevant or Material Date

57. It is well established that the material date for passing off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“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”.

58. The material date in opposition proceedings cannot, therefore, be later than the date of the application for registration and in the present proceedings I must take into account the opponent's claim to earlier use of the mark as the activity complained of predated the date of application for registration.

59. In light of the above guidance I go on to consider the applicant for invalidity's evidence in respect of its claim to goodwill in the METRIX trade mark.

Goodwill

60. Goodwill, often described as reputation is "the attractive force which brings in customers" (Lord Macnaghten in *Commissioners for Inland Revenue v Muller* [1901] AC 217).

61. The applicant's goodwill is based on its claim of use in the UK from the early 1960s.

62. In the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House Gary Stringer* (a partnership) [2002] RPC 19, Pumfrey J. in considering an appeal from a decision of the Registry to reject an opposition under Section 5(4)9a) said:

"27 There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s. 11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date."

63. In the present proceedings the opponent has not provided evidence of actual sales to customers under the mark or details of how the goods were sold. There are no customer details or information and no supporting evidence from customers or the trade. The web-site information is after the relevant date for these proceedings and details relating to promotion are sketchy as to extent, duration and significance e.g. the circulation figures and relevance of the publications in which advertisements may have been placed.

64. In its submissions the opponent asserts lengthy use, points out that the goods are specialised and sold into technical markets and claims a significant turnover. However, while the position on the nature of the goods may be obvious as a matter of common sense, the opponent's case is over-reliant on assertion and submission.

65. In essence, the applicant's evidence and submissions come down to that the mark has been used and, as the applicant company is a significant player it must possess goodwill or

reputation in the mark. In some ways this is a tempting proposition, particularly when supported by evidence, which although flawed, could possibly be seen as indicative. However, it is my view that the applicant's case is over-dependent on submission and inference based upon speculation, rather than hard evidence. In the case of *Radio Taxicabs (London) Limited v Owner Drivers Radio Taxi Services Limited* 12 October 2001, Mr Robert Englehart QC, sitting as Deputy Judge of the High Court pointed out that the court was faced with "the total absence of evidence from the wider public" and went on to find that the burden of proving reputation with the relevant public lay on the claimant. At paragraph 89 he stated:

"I consider it possible that the claimant may have built up a sufficient reputation in the ways relied on but I cannot conscientiously put it any higher in the claimant's favour than that ... Thus one is left to speculate. Speculation is not enough. At the end of the day the burden of proving on the balance of probabilities, the requisite reputation with the general public in the name "Radio Taxis" lies on the claimant and I find that the claimant has not discharge it."

66. I am also assisted by the following comments of Mr Simon Thorley Q.C. sitting as the Appointed Person in *Scentura Creations Limited v Patrick Cox Designs Limited* (unreported decision of 6 November 2000 BL O/471/00 at paragraph 18).

"It is the duty of the Registrar and of this tribunal on appeal to assess the weight that can be attached to the actual evidence that is placed before the court. It is not for us to try to assess on the basis of the evidence that has been filed, the strength of evidence which might have been filed had the Opponents sought to do so."

67. On the basis of the evidence before me, notwithstanding the specialised nature of the relevant goods, I have come to the conclusion that the opponent's evidence does not establish sufficient goodwill to sustain a passing off action.

68. As the opponent has not demonstrated goodwill at the relevant date, the passing off case falls at the first hurdle. The opposition fails.

COSTS

69. The applicant is entitled to a contribution towards costs and I order the opponent to pay the applicant the sum of £1,200, which takes into account that no hearing took place on this case. 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 1st day of December 2005

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General