

O-328-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2169353  
BY DENPLAN LIMITED TO REGISTER A TRADE MARK IN  
CLASSES 35, 36, 41 AND 42**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 52161  
BY APPLE COMPUTER INC**

**TRADE MARKS ACT 1994**

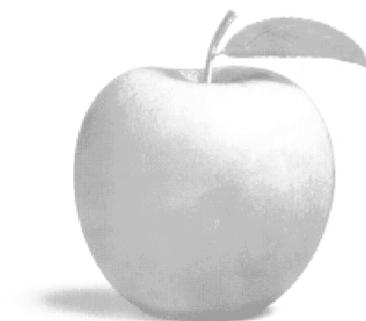
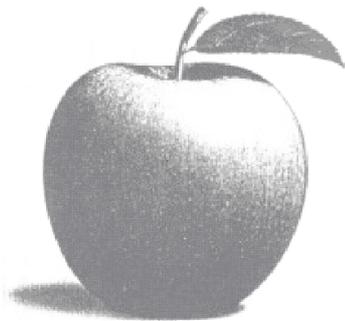
**IN THE MATTER OF Application No. 2169353  
by Denplan Limited to register a trade mark  
in Classes 35, 36, 41 and 42**

**and**

**IN THE MATTER OF Opposition thereto  
under No. 52161  
by Apple Computer Inc**

**BACKGROUND**

1. On 12 June 1998 Denplan Limited applied to register the following series of two trade marks:



**Mark claim/limit:**

The applicant claims the colours green, yellow, white and blue as an element of the second mark in the series

for the following specifications of services:

**Class 35:**

Organising, arranging and conducting of commercial, trade and business conventions, exhibitions, conferences and seminars; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices; business management, supervision, administration, consultation, organisation, planning and research services; market research; marketing studies; promotional services; compilation and provision of business information; preparation of business reports; data-based business management; management services and business assistance for dental, medical and veterinary practitioners relating to health care plans and capitation schemes; advisory services relating to business organisation, management and planning; business appraisals; business administration, business information and business research services; computerised business information storage and retrieval; advisory, consultancy and information services relating to all of the aforesaid services.

**Class 36:**

Financing of loans; financing services; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices; insurance services; brokerage services; financial management, administration and planning relating to hospitals, health clinics, nursing, convalescent and dental institutions, and to medical, dental and veterinary practices; administration of mutual funds; advisory, consultancy and information services relating to all the aforesaid services; preparation of reports relating to all the aforesaid services.

**Class 41:**

Organising, arranging and conducting of commercial, trade and business conventions, conferences and seminars relating to insurance services, brokerage services, financial management, administration and planning relating to hospitals, health clinics, and nursing, convalescent and dental institutions, medical, dental and veterinary practices, financing of loans, financing services, administration of mutual funds, and charitable funds, and charitable fund raising services; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices; preparation of reports relating to all the aforesaid services.

**Class 42:**

Computer programming; design services for computers and for computer software; all relating to dental, medical and veterinary services and to dentistry, dental practices, health care and capitation schemes; hospital services; health care services; medical, dental and veterinary services; dentistry; professional advisory and consultancy services for dental, medical and veterinary practitioners and their practices; provision of information for dental, medical and veterinary practitioners; advisory and consultancy services; nursing care services; nursing and convalescent home services; medical, dental and veterinary research services; laboratory services; organising, arranging and conducting of conventions, exhibitions, conferences and seminars; all relating to all of the aforesaid services; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices; professional, advisory, consultancy and information services; all relating to all of the aforesaid services; preparation of reports on all the aforesaid services.

2. The application was subsequently accepted by the Registrar and published in the Trade Marks Journal.

3. On 15 February 2001 Apple Computer Inc filed Notice of Opposition. In summary the grounds were –

- (i) Under Section 5(2)(b) of the Act because the marks applied for are similar to the following earlier trade marks owned by the opponent which include identical and/or similar services and there exists a likelihood of confusion on the part of the public – United Kingdom registration Nos. 1158659, 1246443, 1158660, 1272854, 1272855, 1273423, 1273424, 1275077, 1276763, 1276764, 2061476, 1300907, 1158661, 1161504, 1300908, 1300909, 1300910, 1300911, 1300912, 1300913, 1272856, 1272857, 1273425, 1273426, 1275075, 1276765, 1276766 and European Community Trade Mark numbers 753 and 745. Details of the trade marks are at Annex One to this decision.

- (ii) Under Section 5(3) of the Act because the marks applied for are similar to the above mentioned trade marks owned by the opponent and to the extent that the applicant's marks are to be registered for services which are not similar to those goods and services for which the opponent's marks are registered and as the opponent's trade marks have a reputation, use of the applicant's trade marks without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier marks.
- (iii) Under Section 5(4)(a) of the Act by virtue of the law of passing off.
- (iv) Under Section 5(4)(b) of the Act because the opponent's trade marks are well known trade marks within the meaning of Article 6 bis of the Paris Convention and the provisions of Section 56 of the Act apply.
- (v) Under Section 3(6) of the Act because the applicant applied for the mark in bad faith in an attempt to trade off the opponent's established and extensive reputation in its marks.

4. On 4 January 2002 the applicant filed a Counterstatement denying the above grounds, stating that the applicant is the proprietor of a number of trade mark registrations which contain or comprise of apple devices, adding that there are also third party registrations which incorporate apple devices.

5. Both sides ask for an award of costs in their favour and have filed evidence.

6. The matter came to be heard on 20 September 2004 when the applicant for registration was represented by Ms May of Counsel instructed by Olswang and the opponent by Mr Edenborough of Counsel instructed by Baker & McKenzie.

### **Opponent's Evidence**

7. The opponent's evidence consists of three witness statements, one each from Kevin Saul, Victoria Walls, and Richard Puckey, dated 9 April 2002, 10 April 2002 and 17 July 2002 respectively.

8. Mr Saul is Director of Copyright, Trademark & Marketing Communications and Assistant Secretary of Apple Computer Inc (the opponent company).

9. Mr Saul sets out the background to the history of the opponent and its contribution to the world of personal computers. He refers to its rise in the USA and then beyond and to the goods and services it offers in relation to computers and computing. Mr Saul states that all or virtually all of the opponent's goods and services are advertised, promoted, sold and rendered in connection with its APPLE based word variant marks and APPLE Logo marks. He adds that the opponent currently offers the following core products worldwide under its marks:

### **Hardware Products**

- i. **iMac:** a line of desktop computers, targeted at education and consumer market.

- ii. **Power Mac:** a line of desktop personal computers targeted at business and professional users.
- iii. **PowerBook:** portable computers specifically designed to meet the mobile computing needs of professionals and advanced consumer users.
- iv. **iBook:** the portable computer product designed specifically for the computing needs of education and consumer users.
- v. **iPod:** introduced in October 2001, the iPod portable digital music player holds up to 1,000 CD-quality songs in a 6.5-ounce design. The iPod music player also doubles as a portable 5 gigabyte FireWire hard drive.
- vi. **Peripheral Products:** Apple also sells certain associated APPLE branded computer hardware peripherals.

### **Software Products**

- vii. **Mac OS:** the Mac OS software is an operating system software for Apple's Macintosh and MAC line of computers
- viii. **Mac OS X:** Apple's new Mac OS X client operating system released in 2001 offers advanced functionality. Previously, on September 13, 2000, Apple released the Mac OS X public beta product.

10. Mr Saul explains that the original APPLE logo was designed in the 1970s and has been developed over years and by the 1980s the opponent had expanded into Europe, with in 1983 a product launch in a number of cities, including London. In 1984 Apple introduced the "Macintosh" line of personal computers. Sales of the opponent's personal computers commenced in the UK in the mid – 1980s and in 1986 APPLE CENTRE dealerships opened in the UK.

11. Mr Saul states that the iMac personal computer prominently displays the APPLE name and trade marks on the product and brochures etc. He attaches a number of Exhibits to his statement in support. He adds that the opponent continues to brand its operating systems software under the APPLE name and trade marks. He attaches further exhibits in support and refers to its Internet home pages, including [www.apple.com/uk](http://www.apple.com/uk).

12. Mr Saul goes on to refer to the opponent's promotional activities under the APPLE name and trade marks and he mentions a number of well known international publications in which these marks appear.

13. Mr Saul provides international figures relating to the sales and promotion of the opponent's goods and services. No UK specific data is provided.

14. Turning specifically to the APPLE name and marks in the UK, Mr Saul states that the opponent has extensively promoted and advertised its APPLE name and marks in the UK and that independent publications circulating in the UK have also frequently written about the

various goods and services provided under the APPLE name and trade marks. In support, he draws attention to Exhibit 15 of his statement as a sample list.

15. Mr Saul states that total revenue for sales of the opponent's goods and services from 1996 through to "the present day" exceed US \$300 million and that most, if not all, of the goods and services sold in the UK are branded with the Apple logo and/or the APPLE word trade marks.

16. Victoria Walls is an Associate Solicitor at Baker & McKenzie, the opponent's professional advisors in these proceedings.

17. Ms Walls also goes to the history and background of the opponent and she adds that the opponent's reputation in its trade marks extends to the provision of its related services as well as computer hardware and software. She asserts that the APPLE brand is a household name in the UK.

18. Ms Walls also refers to the advertising initiatives of the opponent, mentioned in the witness statement of Mr Saul, stating that while many of the magazines referred to are primarily US publications, they have a wide circulation in the UK. Ms Walls submits that the use and promotion of the APPLE and Apple logo trade marks in particular denote the opponent's goods and services in Classes 9, 16 and 42 and that the resulting goodwill and reputation will extend to other Classes of goods and services.

19. Ms Walls goes on to a comparison of the respective marks. She contends that the respective apple devices are similar visually, are identical conceptually and in aural use. Furthermore, she submits that the word APPLE is phonetically and conceptually identical to the applicant's marks. Ms Walls adds that the opponent's registered marks are inherently highly distinctive per se.

20. Ms Walls also considers the respective specifications of services and goods and submits that, despite the applicant's limitations relating to dentistry and health based services, identical and similar services and goods remain. She goes on to contend that, in any event, the opponent's repute is such that use by the applicant of the marks applied for would amount to a passing off or would take unfair advantage of, or be detrimental to, the distinctive character of the opponent's trade marks.

21. Richard Puckey is Financial Controller at Apple Computer UK Limited, a subsidiary of Apple Computer Inc (the opponent). Mr Puckey makes his statement in order to provide additional information specific to the UK in relation to use by the opponent of its APPLE and APPLE logo marks in this country.

22. Mr Puckey states that in the financial years 1995-97 the amount spent by the opponent on UK advertising was as follows:

<b>1995</b>	<b>1996</b>	<b>1997</b>
£4.8 million	£4.8 million	£0.2 million

23. Mr Puckey explains that the 1997 figure is significantly lower as it coincided with a centralisation of European advertising that was carried out at this time.

24. At Annex 1 to his witness statement, Mr Puckey attaches a copy of the Consumer Campaign Advertisement Schedule for the Apple Home Solutions Campaign in November 1996, which, he states, is an example of a typical advertising campaign by Apple and shows the wide variety of publications that APPLE and Apple logo advertisements appeared in at that time, including broadsheet newspapers e.g. The Guardian Weekend, and mens magazines, fashion magazines and the Radio Times. Copies taken from The Guardian and Guardian Weekend are at Annex 2 to his statement.

25. Mr Puckey states that the opponent also produces a range of leaflets for individual products or campaigns and he attaches examples dating from 1996, at Annex 3 to his statement, to demonstrate use of the opponent's marks on such media. Annex 3 also contains examples of leaflets inserted into newspapers.

26. At Annex 4, Mr Puckey draws attention to the 1998 Apple global campaign "Think Different" which shows the Apple logo in advertisements and contains a feature in a Guardian supplement and a review in Campaign magazine.

27. Mr Puckey goes on to state that the opponent has a huge "fan base" and that a range of magazines is entirely devoted to its products, commonly referred to as the "Mac press". He states that the APPLE trade mark and logo appears in joint promotions with these magazines and at Annex 5 is an example of a 1994 Absolute Beginner's Guide showing use of an Apple logo and the word APPLE.

28. Mr Puckey turns to UK spending on advertising which includes "other sales and merchandising" which takes account of "sales promotions etc." and provides the following figures:

<b>1995</b>	<b>1996</b>	<b>1997</b>
£8.7 million	£6.6 million	£1.7 million

29. Annex 6 to Mr Puckey's statement sets out examples of the opponent's mailshots and promotional leaflets. Examples of information provided for retailers is at Annex 7 and at Annex 8 is a copy of a publication entitled "Inspiring Education, Learning and teaching with computers, the Internet and multimedia", which was distributed by the opponent to UK schools and a copy of "Education interface", distributed to UK schools and colleges from 1997 and which feature the APPLE and Apple logo trade marks.

### **Applicant's Evidence**

30. The applicant's evidence consists of two witness statements, one each from Glenn Rhodes and Robert Carlin, dated 16 January 2003 and 17 January 2003 respectively.

31. Mr Rhodes has been employed by Denplan Limited (the applicant company) since 1997 and he is currently Head of Marketing.

32. Mr Rhodes explains that the applicant was established in 1986 by two dentists and its principal activity is to provide and administer a dental "capitation" plan to the dental profession as well as dental related services (such as accreditation). Mr Rhodes goes on to provide further details about the services of the applicant and he adds that effectively the

applicant's customers are primarily dentists and companies, because if a dentist signs up to the scheme, the dentists' patients can become members.

33. Mr Rhodes states that Exhibit GR-1 to his statement entitled "Denplan Care Live Patients January 1987 to October 2002", shows that by 2002 the applicant had over one million patients. He adds that since the scheme was set up, it has had approximately 1.6 million patients altogether. The applicant provides services through around 6,000 dentists, which constitutes approximately one third of all UK dentists.

34. Mr Rhodes goes on to provide the following information in relation to the applicant's turnover:

2001	£184,772,000 in turnover, being payments in respect of services provided by dentists, with £130,086,191 of this turnover being paid to dentists for their treatment of patients.
2000	£154,978,000 in turnover, being payments in respect of services provided by dentists, with £122,503,685 of this turnover being paid to dentists for their treatment of patients.
1999	£145,456,000 in turnover, being payments in respect of services provided by dentists, with £115,171,000 of this turnover being paid to dentists for their treatment of patients.
1998	£132,168,000 in turnover, being payments in respect of services provided by dentists, with £104,000,000 of this turnover being paid to dentists for their treatment of patients.
1997	£118,712,000 in turnover, being payments in respect of services provided by dentists, with £94,150,000 of this turnover being paid to dentists for their treatment of patients.

35. Mr Rhodes explains that the applicant has used an apple logo in connection with the branding of its business since 1986. The form of apple logo used between 1986 and 1998 was registered as a trade mark. An illustration of this mark is at Exhibit GR-2 to Mr Rhode's statement and comprises an apple device with the word DENPLAN of/through its centre. Around November 1998, which is after the relevant date for these proceedings, the applicant varied its apple logo with a "more modern illustration of an apple" which is the subject of the present application.

36. Turning to the applicant's marketing activities, Mr Rhodes states that the applicant has compiled and distributed a range of patient literature and merchandising and has also undertaken TV advertising. He adds that an apple logo (the pre 1998 apple logo and the "Modern" apple logo since 1998) has always featured prominently. Mr Rhodes provides the following figures for the years 1997 to 2001:

<b>Year</b>	<b>Promotional Spend</b>
2001	£2,036,066
2000	£1,055,012
1999	£1,125,017
1998	£1,482,384
1997	£1,097,524

37. Mr Rhodes goes on to detail the applicant's marketing activities. Much of the material and activity (including the television advertisements) relate to periods after the relevant date for these proceedings. He refers to the examples attached at Exhibits GR-5 and GR-6 to his statement and notes that the modern apple logo is displayed on the front and back of the leaflets and brochures and adds that "In each instance the word "Denplan" is written immediately beneath". He believes that the applicant's logo will therefore be referred to as the DENPLAN apple.

38. Mr Rhodes states that the mark in suit is used in respect of dentistry and dental practice, whereas the opponent's marks are used in relation to the sale of computers and related items and services. He adds that the goods/services are not provided through the same outlets.

39. Mr Rhodes also makes submissions concerning the position on similarity in relation to the respective marks, which he concludes are different, and the likelihood of confusion. He states that, to the best of his knowledge, since the applicant has been using the "modern" apple logo (the mark in suit) there has not been a single instance of confusion. He refutes the bad faith allegation.

40. Mr Rhodes finishes his statement by submitting that the opponent does not possess exclusive rights in the word apple and an apple device in Classes 9, 16, 38, 41 or 42.

41. Robert Carlin is a European Trade Mark Attorney at Messrs Olswang, the solicitors acting on behalf of the applicant.

42. On 14 January 2003, Mr Carlin carried out a search on the Marquesa database for APPLE devices, either registered or pending in the UK. At Exhibit RGC-1 to Mr Carlin's statement are the results of this search, after the applicant's and opponent's trade marks have been removed. Mr Carlin states that some of the apple devices remaining are three dimensional and some have bites taken out of them.

### **Opponent's Evidence in Reply**

43. This consists of a witness statement by Manish Joshi dated 13 February 2004.

44. Mr Joshi is a registered Trade Mark Attorney at Baker & McKenzie who act on behalf of the opponent in these proceedings.

45. Mr Joshi submits that Mr Carlin's evidence is not relevant and should be disregarded. Turning to the evidence of Mr Rhodes, Mr Joshi states that the Registrar should consider the proceedings on the basis of the mark actually applied for and not use of this mark with the word DENPLAN.

46. This concludes my summary of the evidence filed in this case. I turn now to the decision.

### **DECISION**

47. Prior to the hearing Mr Edenborough made it clear that the opponent was not pursuing the ground based upon the allegation that the earlier marks are well known and so entitled to protection pursuant to the Paris Convention and the exercise of the Registrar's judgement.

### Section 3(6)

48. First of all I go to the Section 3(6) ground. Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith”.

49. In essence the opponent contends that the application was made in bad faith because, at the time of filing, the applicant was aware of the opponent’s reputation in its earlier trade marks and that the application was an attempt to trade off the opponent’s reputation, which would result in confusion. Mr Edenborough confirmed at the hearing that the ground applied to the application as a whole ie. all the services applied for.

50. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 379):

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

51. In *Harrison v Teton Valley Trading Co* [2004] EWVA Civ 1028, the Court of Appeal confirmed that bad faith is to be judged according to the combined test set out by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164. Paragraphs 25 and 26 of the Court of Appeal decision are of particular assistance and read as follows:

“25. Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

“36. .... Therefore I consider .... That your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words “bad faith” suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.”

52. While bad faith can arise where there is no actual dishonesty it is nevertheless a serious allegation. It seems to me that bad faith must involve an element of moral reprehensibility and at the hearing Mr Edenborough did not demur from this view. In my view the onus is very much on the opponent to demonstrate that the ground is made out.

53. In support of the ground Mr Edenborough drew attention to that part of Mr Rhodes' witness statement which refers to use of the applicant's apple device in conjunction with the word DENPLAN. Mr Edenborough submits that Mr Rhodes' reasoning relating to lack of confusion between the respective marks of the parties is based upon the references to DENPLAN accompanying the apple device and accordingly, an application for an apple device alone means that the applicant knows that use of such a mark would result in confusion.

54. In response, Ms May submitted that the applicant had been using an apple device as part of its branding since 1986 and that the evidence showed that the application is in respect of a mark that represents the current branding of the applicant. She also drew my attention to the specific rebuttal of the bad faith allegation. Turning to Mr Rhodes' statements about use of its apple with the word DENPLAN, Ms May points out that they were made to rebut the opponent's contention that the parties respective marks would both be known as "apple devices" and it could not follow that the application for the apple device means that the applicant was attempting to trade off the opponent's goodwill or reputation.

55. It seems to me that the opponent's contentions on the Section 3(6) ground are very much based on inference which, in any event, is not reasonably supported by the evidence. In my view, the applicant's statements relating to use in the market place of its apple device go to the global appreciation of the consideration of whether there is a likelihood of confusion. They do not go to show that the applicant made its application knowing that confusion would result and that the applicant was attempting to trade off the opponent's reputation. Indeed, it seems to me that I can infer from the evidence, that the applicant is sincere in its belief that its mark is distinctive of its particular services.

56. As mentioned above, an allegation of bad faith is a serious allegation which needs to be reasonably demonstrated in relation to the facts of the case. In my view the opponent is a long way from succeeding on this ground. The onus rests with the opponent and on the basis of the evidence before me the opponent has not shown and I feel unable to infer that the application was made in bad faith. The Section 3(6) ground fails.

### **Section 5(2)(b)**

57. Next, I consider the Section 5(2) ground. Section 5(2) of the Act reads as follows:

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

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

58. An earlier right is defined in Section 6, the relevant parts of which state:

“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,”

59. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *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* [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) account should be taken on the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it was registered; *Lloyd*;

- (h) 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*;
- (i) 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*;
- (j) 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.*

60. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection of such a mark. The opponent has filed evidence relating to the reputation of the marks covered by its earlier registrations ie. its apple device and the word APPLE. This evidence confirms that the opponent has a reputation in its earlier marks in relation to computers, a finding that was common ground at the hearing. I will take this into account in reaching my decision. Furthermore, it seems to me that, the opponent's earlier registrations comprise trade marks which are inherently fully distinctive in their own right in relation to the particular goods and services for which they are registered.

61. In essence the test under Section 5(2) is whether there are similarities in marks and services or goods and services which would combine to create a likelihood of confusion. In my considerations of whether there are similarities sufficient to show a likelihood of confusion I am guided by the recent judgements of the European Court of Justice mentioned earlier in this decision. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural or conceptual similarity between the marks, evaluating the importance to be attached to those different elements, taking into account the degree of similarity in the services and/or goods, the category of services and/or goods in question and how they are marketed. In this case it is accepted that the opponent's marks have a reputation in respect of computers. However, it was held in *Marca Mode v Adidas AG* (2000) ETMR 723:

“The reputation of a mark, where it is demonstrated, is thus an element which, amongst others, may have a certain importance. To this end, it may be observed that marks with a highly distinctive character, in particular because of their reputation, enjoy broader protection than marks with a less distinctive character (*Canon*, paragraph 18). Nevertheless, the reputation of a mark does not give grounds for presuming the existence of a likelihood of confusion simply because of the existence of a likelihood of association in the strict sense.”

62. Furthermore, in addition to making comparisons which take into account actual use of the respective marks, I must also compare the mark applied for and the opponent's registrations on the basis of their inherent characteristics assuming normal and fair use of the marks across the width of their respective specifications.

63. The applicant claims use of an apple device or logo since 1986. However, this is a different device to the trade mark in suit, described as the “modern” apple. There has been no use of the mark in suit prior to the relevant date for these proceedings. Furthermore, as conceded by the opponent, use of its apple devices is virtually always in conjunction with the word DENPLAN.

64. The applicant submits that in actual use, there has been no confusion demonstrated in relation to its mark and the opponent’s earlier registrations. However, given my findings above ie. there has been no use of the mark applied for prior to the relevant date and that use of the applicant’s apple device(s) is nearly always in conjunction with the word DENPLAN, this is of no real assistance in the present proceedings. In any event, the fact that no actual instances of confusion are demonstrated is not necessarily telling in relation to relative grounds – see *Compass Publishing BV v Compass Logistics Ltd* [2004] EWCA (Ch). As stated earlier, the comparisons must take into account notional, fair use of the respective marks across the full width of the relevant specifications.

65. In its evidence the applicant has also drawn attention to a search conducted in relation to pending or registered marks containing apple devices, in the UK. I have no information on whether or how these trade marks are in use. This amounts to no more than ‘state of the register’ information. I am not assisted by this evidence and I am guided on this point by the following comments of Mr Justice Jacob in *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281:

“Both sides invite me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word “Treat”. I do not think this assists the factual inquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the Registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAM Trade Mark* and the same must be true under the 1994 Act. I disregard the state of the register evidence.”

66. My decision involves a comparison of the applicant’s and opponent’s particular marks and must be made on its own merits, taking into account the use of the opponent’s marks and also notional and fair use of the respective marks.

67. I now go to a comparison of the respective services. Two preliminary issues arise.

68. In his skeleton argument Mr Edenborough attached a table relating to a comparison of services and goods/services. Two problems resulted:

- a) it referred to prior registrations No. 1135409 and 2194291, neither of which appeared to be relied upon in the Statement of Case filed with the Registry; and

- b) it referred to a number of services applied for which, in the Statement of Case, do not appear to have been alleged as being similar to those covered by the opponent's earlier registrations.

69. On the question of prior registration Nos. 1135409 and 2194291, I ruled at the hearing that these marks would not be taken into account for the purposes of these proceedings. They are not referred to in the list of prior registrations attached as Appendix One to the Statement of Case. Furthermore, the details of the individual registrations attached at Appendix Two to the Statement of Case, shows that registrations 1135409 and 2194291 are clearly deleted by means of a diagonal line running through them and "crossing them out". This corresponds with the copy of the Statement of Case received by the applicant. In my view the deletion shows that while the opponent may have considered these marks in relation to these proceedings, it took a deliberate decision not to "run with them". I would add that, as a matter of practical impact, other earlier registrations of the opponent cover its apple device for the goods and services encompassed within registrations No. 1135409 and 2194291. Accordingly, I doubt that the non-inclusion of registrations 1135409 and 2194291 places the opponent in any weaker position.

70. Turning to the issue of the similarity of services position reflected in the table to Mr Edenborough's skeleton argument, I have no doubt that this widens the opponent's Section 5(2) ground from that pleaded in the Statement of Case, the relevant parts of which are contained at paragraphs 9 to 12 and paragraph 16 of that document and which read as follows:

**"Comparison of specifications"**

- 9. The Applicant's sign has been applied for in relation to a specification of which significant parts are wholly contained within the specification of the Opponent's trade marks. In particular in Class 35 of the Applicant's sign, the services "data processing" are identical and "arranging and conducting of commercial, trade and business conventions, exhibitions.." are very similar to the specification in the Opponent's prior marks Nos. 1272856 and 1272854.
- 10. In Class 42 of the Applicant's sign, the services "computer programming" are identical and "design services for computer and for computer software" are very similar to the specification in the Opponent's prior marks Nos. 1276766, 1276764, and CTMs 745 and 753.
- 11. Also, in Class 36 of the Applicant's sign, the services "financing of loans; financing services" are identical and "financial management" are very similar to the specification in the Opponent's prior marks Nos. 1272857 and 1272855.
- 12. The services in Class 41 of the Applicant's sign "arranging and conducting of commercial, trade and business conventions, conferences and seminars" are also very similar to the specification in the Opponent's prior marks under Nos. 1276765, 1276763 and CTMs 745 and 753. All of the Opponent's above mentioned marks are detailed in Attachments 1 and 2.
- 16. The Opponent contends that having regard to the foregoing, the Applicant's sign is identical and/or similar to the Opponent's mark and the goods and

services are identical and/or similar to those to which the Opponent's mark is applied, such that use of the Applicant's sign would lead to a likelihood of confusion, including a likelihood of association on the part of the public. Consequently, a grant of registration of the application would be contrary to Section 5(2)(b) of the Trade Marks Act 1994."

71. At the hearing Mr Edenborough submitted that the inclusion of the words "in particular" in paragraph 9 of the Statement of Case means that it should be interpreted as alleging that all of the services applied for are identical or similar to those covered by the opponent's earlier registrations, but some specific examples follow. I disagree. It seems to me that the words "in particular" merely reflect a particularisation of those services which are considered identical or similar. Furthermore, it is apparent that this is how the matter was understandably interpreted, considered and addressed by the applicant throughout the proceedings.

72. Tribunal Practice Notice 4/2000 sets out the Registrar's requirements in respect of Statements of Case. They should be focused (*Demon Ale* [2000] RPC 345) and in relation to Section 5(2) "those goods and services which the opponent contends are similar or identical to those covered by the earlier trade marks" should be set out. In my view the specific services mentioned by the opponent in paragraphs 9 to 12 of its Statement of Case reflect a focussed and clearly put particularisation of its position on similarity. I shall deal with the Section 5(2) ground accordingly.

73. In relation to the applicant's specifications of services, in particular those services defined or limited as relating to dentistry, Mr Edenborough submitted that, following the Judgement of the EEJ European Court of Justice in *Koninklijke KPN Nederland NV v Benelux-Markenbureau C-363/99* ("*Postkantoor*"), it is no longer permissible to have negative limitations within specifications and this prohibition also extends to positive characteristics within specifications. He specifically drew my attention to paragraphs 114 and 115 of the Judgement, which reads as follows:

"114 By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

115 Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties – particularly competitors – would not as a general rule be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods."

74. Mr Edenborough contended that by virtue of paragraph 115(above) it is clear that the logic of the ECJ is that the prohibition may apply when any list is qualified by having a characteristic – whether negative or positive.

75. However, as pointed out by Ms May, the Judgement makes it clear that it is not permissible to register a trade mark on the condition that the goods and/or services do not possess a particular characteristic, as this would lead to legal uncertainty as to the extent of

protection offered by the mark, in particular third parties would not be aware that the extent of protection afforded did not extend to goods and services falling within the exclusion.

76. In my view the *Portkantoor* Judgement does not justify a finding that a positive statement, as to how or to what purpose particular goods and/or services within a specification are to be used, is not acceptable. I agree with Ms May that such statements may, as in the present case, lead to a more precise and certain definition of the type of goods or services at issue and thus reduce the scope for uncertainty, especially in relation to relative grounds issues. I do not see that any confusion to the public would arise solely from the positive limitations relating to use in connection with dental, medical or veterinary services. To conclude, I do not believe the Judgement of the European Court of Justice in *Postkantoor* is of assistance in relation to the proceedings before me.

77. In determining whether the services covered by the application are similar to the services and goods covered by the opponent's trade marks I have considered the guidelines formulated by Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (pages 296, 297) as set out below:

"The following factors must be relevant in considering whether there is or is not similarity:

- (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 services;
- (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 particular 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."

78. Whilst I acknowledge that in view of the *CANON-MGM* judgement by the European Court of Justice (3-39/97) the *Treat* case may no longer be wholly relied upon, the ECJ said the factors identified by the UK government in its submissions (which are listed in *TREAT*) are still relevant in respect of a comparison of goods.

79. Firstly I turn to Class 35 of the application. In its statement of case the opponent refers to "data processing" services. These have been deleted from the application. The opponent also contends that "arranging and conducting of commercial, trade and business conventions, exhibitions" is very similar to the specification in the opponent's prior registrations 1272856 and 1272854. I note that the opponent has further Class 35 registrations. While both the applicant's and opponent's Class 35 specifications both cover the arranging and conducting

of trade exhibitions, the applicant's exhibitions, conferences etc. relate to dentistry, medicine or veterinary practices. The opponent's exhibitions relate to computer hardware and software. Notwithstanding the difference in the subject matter of the exhibitions, it seems to me that the arranging and conducting of trade or commercial exhibitions may be a specialised service of itself, conducted by specialist service providers. The subject matter of the exhibition may vary according to the needs of the customer of the service provider. However, the relevant customer, which would include those seeking to hold trade or business exhibitions, is very likely to perceive the service provider by reference to the specialised activity involved in arranging and conducting exhibitions etc, rather than by reference to the subject matter of a particular exhibition. In addition, the opponent's earlier registrations, in particular Community Trade Marks Nos. 753 and 754 include the "arranging and conducting of exhibitions ....." in Class 41. These exhibitions would be for educational purposes but are not limited to subject matter. Notionally, they could relate to dentistry, medicine or veterinary topics.

80. Bearing in mind the above, I find that the applicant's "organising, arranging and conducting of commercial, trade and business conventions, exhibitions, conferences and seminars; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices" is similar to Class 35 and 41 services covered by the opponent's earlier registrations.

81. I next go to Class 36 where the opponent contends that the services "financing of loans; financing services" and "financial management" within the application, are identical and similar to the specifications within its earlier registrations. Once again, these services of the applicant relate to dental, medical or veterinary activities. However, the opponent's earlier registrations include marks ie. Nos. 1272855 and 1272837, which are registered for "financing services" and "financial management" at large in Class 36. Notional use would encompass such services in relation to medical, dental and veterinary topics.

82. Taking into account the above, I find that the applicant's "Financing of loans; financing services" and "financial management" services are identical and similar to the opponent's Class 36 services within its earlier registrations.

83. Now, the Class 41 services where the opponent submits that the applicant's "organising, arranging and conducting of commercial, trade and business conventions, conferences and seminars" is similar to the specifications within its earlier registration Nos. 1276765, 1276763, 745 and 753. Again, these services of the applicant relate to dental, medical or veterinary activities. However, the opponent's earlier European Community Registrations 745 and 753 are registered for the "arranging and conducting of exhibitions, workshops, seminars and video conferences" at large in Class 41. Notional use would encompass such services in relation to medical, dental and veterinary subject matter.

84. Taking into account the above, I find that the applicant's "arranging and conducting of commercial, trade and business conventions, conferences and seminars ...." are identical and similar to the opponents Class 41 services within its earlier registrations.

85. Finally, the Class 42 services where the opponent contends that the applicant's "computer programming" and "design services for computers and for computer software" are similar to those services within the specifications of its earlier registrations No. 1276766, 1276764, 745 and 753. Once more, the applicant's services all relate to dental, medical or

veterinary activities. However, the above earlier registrations of the opponent are registered for services which include “computer programming” and design services relating to computing in Class 42, without limitation. Notional use would include such services in relation to dental, medical and veterinary areas.

86. Taking into account the above, I find that the applicant’s “computer programming” and “design services for computers and for computer software” are identical and similar to the opponent’s Class 42 services within its earlier registrations.

87. I now go on to compare the mark in suit with the opponent’s earlier marks.

88. The mark in suit consists of a relatively straightforward device of an apple with a leaf on its stem. The second mark in the series is limited to colour, but neither party appears to place any emphasis on this particular point. The opponent’s earlier registrations are for the obvious dictionary word APPLE and the device of an apple, which is stylised to the extent that it is striped, has a “bite” shaped indentation on its right hand side and a stem slightly detached from the main body. As mentioned earlier in the decision, the respective marks are fully distinctive. They do not contain non-distinctive elements.

89. The guiding authorities make it clear that I must compare marks as a whole and by reference to overall impression. It is, of course, possible to over analyse marks and in doing so shift away from the real test which is how the marks would be perceived by customers in the normal course and circumstances of trade. I must bear this in mind when making the comparisons.

90. I turn to a visual comparison of the respective devices. While both contain the image of an apple, there are obvious visual differences in that the mark in suit comprises a straightforward or “photographic” representation of the fruit, whilst the opponent’s apple device possesses a stylised appearance as described in paragraph 88 (above). Accordingly, the similarity is relatively superficial and the differences are readily discernable. The opponent also has the word APPLE registered. While this word is, of course, readily distinguishable in a visual context from the device of an apple, the customer could well make a connection between the word and device in a visual as well as conceptual context, especially bearing in mind that the applicant’s device is an obvious and straightforward representation of an apple.

91. Going to an oral comparison, bearing in mind normal, fair use, I have little doubt that, in oral use, the applicant’s mark would be described by the word “apple”, which, of course, would be the oral descriptor of the word mark APPLE.

92. At the hearing, Mr Edenborough reminded me that there is a long line of authority that holds that confusion can exist between a device mark and the verbal description of the device. He drew my attention to the following comments of Lindley LJ in “Red Star Brand”, *Verries De L’Etoile SA* (1894) 11 RPC 142 at 145, line 57 to 146:

“Now it does seem a little startling that if [the applicant for registration] cannot register a simple red star they should be enabled to register the description of that very same thing in words, that is to say, that although they cannot appeal to the eye they may appeal to the ear. I cannot say that is right, and that I understand is the real view

taken by the learned Judge . . . . Two marks may be calculated to deceive either by appealing to the eye or to the ear, or one appealing to the eye and one to the ear.”

93. While the above case was decided under earlier legislation, it seems to me that the views expressed remain relevant today. In my view there is clear and obvious aural similarity between the mark in suit and the opponent’s registration for the word APPLE.

94. The opponent’s device mark would in my view also be likely to be described as an “apple” mark. I am not persuaded by Ms May’s submission at the hearing that this mark would be described orally as “a striped apple with a bite taken out”. Such a description seems overly forensic with regard to use in the normal course and circumstances of trade. The respective device marks are aurally similar.

95. Next, a conceptual comparison of the marks. It seems to me that the respective marks would all be perceived as “apple” marks. There is obvious conceptual similarity which is relevant to “imperfect recollection”.

96. In my considerations relating to the global appreciation of a likelihood of confusion I must consider the services at issue and the average customer for the services. It seems to me that the relevant services are relatively specialised and the customer for the services would usually be business customers. In general it seems that I must take the view that the relevant customer would be relatively careful and discerning. While this could mitigate against confusion, it does not follow that there is not a likelihood of confusion and all relevant circumstances must be taken into account.

## **CONCLUSIONS**

97. On a global appreciation, taking into account all the relevant factors, I have come to the following conclusions:

- (i) the applicant’s services, as specified by the opponent, in Classes 35, 36, 41 and 42 are identical or closely similar to services encompassed within the opponent’s earlier registrations;
- (ii) the applicant’s mark is similar to the opponent’s earlier word and device marks, with similarity being particularly obvious on an aural and conceptual basis and with regard to the opponent’s word mark;
- (iii) while the nature of the services and the customer for the services would be relatively discerning, the degree of similarity between the services and the marks is such that, in all the circumstances, there is a likelihood of confusion.

98. It is my view that the applicant’s mark would capture the distinctiveness of the opponent’s earlier trade marks in notional, fair use in the market place in respect of the particular services at issue.

99. The opposition under Section 5(2)(b) is successful in relation to:

- (i) “Organising, arranging and conducting of commercial, trade and business conventions, exhibitions, conferences and seminars; all relating to dentistry,

dental practice, dental services, dental capitation schemes, medicine and veterinary practices” in Class 35;

- (ii) “Financing of loans; financing services; all relating to dentistry, dental practice, dental services, dental capitation schemes, medicine and veterinary practices” and also “financial management” in Class 36;
- (iii) “Organising, arranging and conducting of commercial, trade and business conventions, conferences and seminars relating to insurance services, brokerage services, financial management, administration and planning relating to hospitals, health clinics and nursing, convalescent and dental institutions, medical, dental and veterinary practices” in Class 41;
- (iv) “Computer programming, design services for computers and for computer software; all relating to dental medical and veterinary services and to dentistry, dental practices, health care and capitation schemes” in Class 42.

### **Section 5(4)(a)**

100. Next, the Section 5(4)(a) ground.

Section 5(4)(a) 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

101. The law on the common law of passing off is clearly set out by Geoffrey Hobbs QC, acting as the ‘Appointed Person’, in *Wild Child* [1998] 14 RPC 455:

“A helpful summary of the element of an action for passing off can be found in Halsbury’s Laws of England 4<sup>th</sup> 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] ACT 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:

- (a) that the plaintiff’s goods or services have acquired a goodwill or reputation in the marks and are known by some distinguishing feature;
- (b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public or believe that goods or services offered by the defendant are goods or services of the plaintiff; and

- (c) 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 referred 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 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."

102. 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, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective field 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."

103. 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 services; and (iii) that such confusion is likely to cause real damage to goodwill.

## **GOODWILL**

104. In my considerations under Section 5(2), I found that the opponent has a reputation in relation to computers. Given the extent and nature of the opponent's reputation I have no doubt that it would extend to computer/computing goods and services in general.

## **MISREPRESENTATION**

105. While the opponent possess a reputation in relation to computer/computing goods and services, it seems to me, that following the decision reached in relation to Section 5(2), the Section 5(4)(a) ground places it in no stronger position. There is no obvious connection between the remaining services within the application and those goods and services for which the opponent possesses a reputation.

106. To succeed in relation to the remaining services of the application, the opponent has to show that the relevant public will believe that these services provided by the applicant are services of the opponent.

107. I have already compared the applicant's and opponent's trade marks and found them to be similar. It is well established that in the law of passing off there is no limitation in respect of the parties field of activity. Nevertheless the proximity of an applicant's field of activity to that of the opponent is highly relevant as to whether the acts complained of amount to a misrepresentation. Although the provision of various business services may involve the utilisation of computers and computer databases, it does not follow that an undertaking which provides business services at large would be perceived as a specialist in the field of computers or computing as such.

108. In essence the question I have to address is whether the relevant public seeing the applicant's mark used on the remaining Class 35, 36, 41 and 42 services, would be likely to believe the services were being offered by the opponent. In *Harrods v Harrodian School* [1997] RPC 697, Millet L J stated:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services.”

109. In the recent case of *South Cone v Jack Bessant, Dominic Greensmith, Kenny Gary Stringer (a partnership)* 16 May 2001, HC 2000 APP 00617, Pumfrey J in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)(a) said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is

raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1939 Act (\*see *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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.”

110. I do not consider that the opponent has discharged the onus of showing that the necessary misrepresentation required by the tort of passing off will occur in relation to the remaining services specified within the application, following the opponent's success under Section 5(2)(b). The opposition under Section 5(4)(a) fails.

### **Section 5(3)**

111. Finally, the Section 5(3) ground.

112. At the hearing Mr Edenborough made it clear that the Section 5(3) ground was only being pleaded in respect of dissimilar services, the appropriate position when the opposition was filed. There was no application to amend the pleadings in order to allege Section 5(3) against either identical or similar services.

113. Prior to the recent amendment, which does not impact upon these proceedings, Section 5(3) read:

“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 trade 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.”

114. In relation to the current proceedings Section 5(3) requires consideration of:

- (i) whether the trade mark opposed is identical with or similar to the earlier trade mark;
- (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected;

- (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom;
- (iv) whether the use of the later trade mark is “without due cause”;
- (v) whether the use of the later trade mark;
  - (a) takes unfair advantage of; and/or
  - (b) is detrimental to the distinctive character of the repute of the earlier mark.

115. From my earlier findings in these proceedings it follows that I accept that the respective marks are similar and that the respective specifications included services and/or goods which are dissimilar. Furthermore, I have found that the opponent has a reputation in its earlier trade marks which extends to computer/computing goods and services.

116. At the hearing Mr Edenborough submitted that use of the applicant’s mark is without due cause. However, the applicant has pointed out that its application stemmed from a desire to “modernise” its apple mark or logo – a not unusual marketing exercise – and that its mark has been used, albeit after the relevant date, to denote its services. I fail to see why the application is without due cause. It seems to me that the opponent’s submissions on this point amount to little more than assertion.

117. I also consider whether the opponent is able to make out any of the adverse consequences set out in paragraph 114 (v) of this decision (above).

118. It is clear from a number of reported cases that Section 5(3) is not intended to have the sweeping effect of preventing the use of any sign that is the same as, or similar to, a registered mark with a reputation.

119. In my view the opponent’s use and consequently its reputation is in relation to computers and computer goods and services and it seems to me far from obvious that it would be damaged in any way by or as a result of the applicant’s use of their mark on the services which remain following my findings under Section 5(2)(b). On the face of it, it seems to me that the services in question cover discrete, specialised operations with focussed markets, whose customers are relatively careful. I would add that no evidence has been filed to support the contention that the relevant customer would expect the services to emanate from the opponent or incorporate the use of the opponent’s goods or services. The onus lies with the opponent and the onus has not been discharged.

120. The Section 5(3) ground fails.

## **OUTCOME**

121. The opposition has succeeded under Section 5(2)(b) in relation to the services set out in paragraph 99 of this decision. Accordingly, the application may proceed to registration if within twenty-eight days of the expiry of the appeal period the applicant files a Form TM21 restricting its specifications to those services remaining in Classes 35, 36, 41 and 42. If the

applicant fails to file a Form TM21 restricting the specifications (as above), the application will be refused in its entirety.

## **COSTS**

122. The opponent is entitled to a contribution towards its costs. At the hearing Mr Edenborough requested that I take into account that some of the applicant's evidence would not assist my decision e.g. the state of the register evidence. However, it seems to me that the opponent's hands are not totally clean in that much of its evidence e.g. the evidence going to the repute of its marks overseas, did not assist. In any event it does not seem to me that the applicant's evidence has put the opponent to any disproportionate inconvenience or expense.

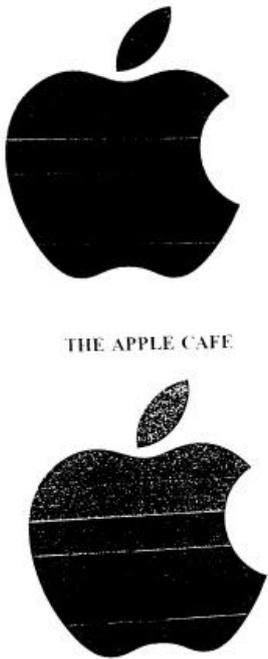
123. I order the applicant to pay the opponent the sum of £1,900. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

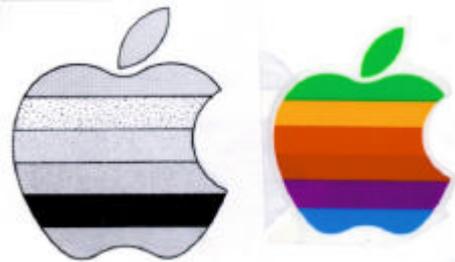
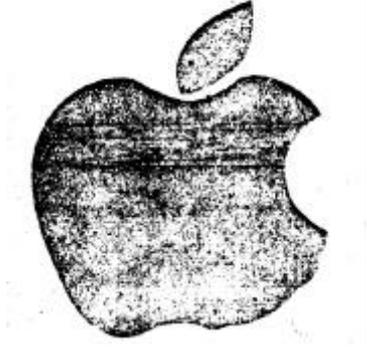
**Dated this 29<sup>th</sup> day of October 2004**

**JOHN MacGILLIVRAY  
For the Registrar  
The Comptroller General**

**ANNEX ONE**

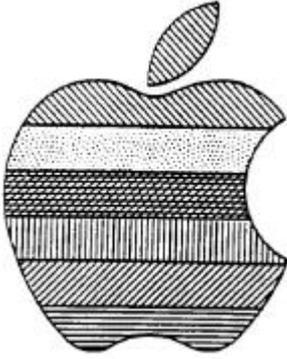
<b>Number</b>	<b>Mark</b>	<b>Date Registration Effective</b>	<b>Specification of Goods/Services</b>
1158659	APPLE	31.07.81	<b>Class 9:</b> Computers, computer programmes; all included in Class 9; but not including any such goods relating to fruit.
1246443	APPLE	18.07.85	<b>Class 9:</b> Computers; computer terminals; video display units; disc driving apparatus; computer driven printers; computer networking installations; electronic data communications apparatus and installations; electronic apparatus and instruments for recognising digital and analogue codes; control apparatus and instruments; cards, discs, tapes, wires, microchips and electronic circuits all for the recordal of data; racks, cabinets and holders, all for the aforesaid goods; parts and fittings for all the aforesaid goods; computer programs and computer software, none relating to fruit; all included in Class 9.
1158650	APPLE	31.07.81	<b>Class 16:</b> Magazines and printed publications; all included in Class 16 and all relating to computers and computer programmes.
1272854	APPLE	01.10.86	<b>Class 35:</b> Data processing services; word processing services; printing services (offset); arranging and conducting trade exhibitions of computer hardware and software; all included in Class 35 .
1272855	APPLE	01.10.86	<b>Class 36:</b> Financing services; financial management; all included in Class 36.
1273423	APPLE	01.10.86	<b>Class 37:</b> Installation, repair, maintenance and construction services, all for data processing and data programming apparatus and installations, computers and for business machines; all included in Class 37.
1273424	APPLE	01.10.86	<b>Class 38:</b> Message sending; message delivery; computer intercommunication; all included in Class 38.
1275077	APPLE	01.10.86	<b>Class 39:</b> Storage in warehouses, freighting and delivery of

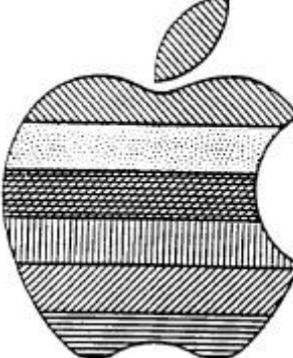
			computer apparatus; all included in Class 39 and all for others.
1276763	APPLE	01.10.86	<b>Class 41:</b> Education, training and instruction services, all relating to computers; services for the arranging and conducting of exhibitions and of seminars relating to computers; all included in Class 41.
1276764	APPLE	01.10.86	<b>Class 42:</b> Consultancy, design, testing, research and advisory services, all relating to computing, data processing and computer programming; computer aided design and engineering services; lithographic printing; computer programming; computer systems analysis; computer time sharing; research and development of computer hardware and of software; technological services relating to computers; leasing of access time to a computer database; all included in Class 42; but not including any such services relating to fruit.
2061476	 <p>THE APPLE CAFE</p> <p>THE APPLE CAFE</p> <p>SERIES OF TWO</p>	14.03.96	<b>Class 42:</b> Restaurant, bar, cafe and catering services.

1300907	 <p style="text-align: center;">SERIES OF TWO</p>	13.02.87	<p><b>Class 6:</b> Key rings and key fobs; boxes, containers, plaques and ornaments, all made wholly or principally of common metal; all included in Class 6.</p>
1158661		31.07.81	<p><b>Class 9:</b> Computers; computer programmes; all included in Class 9; but not including any such goods relating to fruit.</p>
1161504	 <p><b>Mark claim / limit:</b> The mark here depicted in heraldic shading, is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	18.09.81	<p><b>Class 9:</b> Computers; computer programs; all included in Class 9; but not including any such goods relating to fruit.</p>
1300908	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark Claim / limit:</b> The mark on the right is limited to the colours green, yellow, orange, red, purple and blue as shown on the form of application.</p>	13.02.87	<p><b>Class 14:</b> Watches; clocks; jewellery; badges and key rings, all made of precious metals or coated therewith; all included in Class 14.</p>

<p>1300909</p>	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right, here depicted in heraldic shading, is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	<p>13.03.87</p>	<p><b>Class 16:</b> Paper and paper articles; printed matter, periodical publications and instructional and teaching materials; stationery; stickers; transfers; pens and pen holders; staplers; trays; office requisites; all included in Class 16; but not including paper, paper articles, printed matter, periodical publications or instructional or teaching materials, all relating to music, entertainment, performing artists, the recording or reproduction of sound or video or to fruit.</p>
<p>1300910</p>	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	<p>13.02.87</p>	<p><b>Class 18:</b> Bags, cases, portfolios, pocket wallets, umbrellas, all included in Class 18.</p>
<p>1300911</p>	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right is limited to the colours green, yellow, orange, red, purple and blue as shown on the form of application</p>	<p>13.02.87</p>	<p><b>Class 21:</b> Small domestic utensils and containers; glassware; tableware, earthenware and porcelain; all included in Class 21.</p>

1300912	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right is limited to the colours green, yellow, orange, red, purple and blue as shown on the form of application.</p>	13.02.87	<b>Class 24:</b> Textile piece goods; towels, towelling, bed clothing; all included in Class 24.
1300913	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right is limited to the colours green, yellow, orange, red, purple and blue as shown on the form of application.</p>	13.02.87	<b>Class 25:</b> Articles of outer clothing included in Class 25.
1272856	 <p><b>Mark claim / limit:</b> The mark on the right, here depicted in heraldic shading, is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	1.10.86	<b>Class 35:</b> Data processing services; word processing services; printing services (offset); arranging and conducting trade exhibitions of computer hardware and software; all included in Class 35.

1272857		1.10.1986	<p><b>Class 36:</b> Financing services; financial management; financial planning services; services for the financing of loans; personal credit services; all included in Class 36.</p>
1273425	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the right, here depicted in heraldic shading, is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	1.10.1986	<p><b>Class 37:</b> Installation, repair, maintenance and custom construction services; all for data processing and data programming apparatus and installations, for computers and for business machines; all included in Class 37.</p>
1273426	 <p style="text-align: center;">SERIES OF TWO</p> <p><b>Mark claim / limit:</b> The mark on the left, here depicted in heraldic shading, is limited to the colours green, yellow, orange, red, purple and blue as shown in the representation on the form of application.</p>	1.10.1986	<p><b>Class 38:</b> Message sending; message delivery; computer intercommunications; all included in Class 38.</p>
1275075		1.10.1986	<p><b>Class 39:</b> Storage in warehouses, freighting and delivery of computer apparatus; all included in Class 39 and all for others.</p>

1276765		1.10.1986	<p><b>Class 41:</b> Education services included in Class 41 relating to computing, data processing and to computer programming; services for the publication of printed matter and of instructional and teaching materials; services for the arranging and conducting of exhibitions and of seminars; all relating to computing, data processing and to computer programming.</p>
1276766		1.10.1986	<p><b>Class 42:</b> Lithographic printing; computer programming, systems analysis and time sharing services; consultancy, design, testing, research and advisory services, all relating to computing, data processing and to computer programming; research and development services for computer hardware and computer software; technological services relating to computers; computer-aided engineering and industrial design services; leasing of access time to a computer data-base; all included in Class 42.</p>
ECTM Reg. No. 753	APPLE	01.04.96	<p><b>Class 09:</b> Computers, computer terminals, keyboards, printers, display units, terminals; modems; disc drives; computer peripherals; communications equipment; facsimile machines, answering machines telephone-based information retrieval systems; adapters, adapter cards, connectors and drivers; blank computer storage media, computer programs, operating systems, computer hardware, software and firmware; computer memory devices; data recordings; cameras; fonts, typefaces, type designs and symbols; chips, discs and tapes bearing or for recording computer programs and software; random access memory, read only memory; solid state memory apparatus; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer and electronic games; related computer equipment for use therewith ; multimedia products comprising or for use</p>

		<p>with any of the aforesaid goods; interactive products comprising or for use with any of the aforesaid goods; parts and fittings for all the aforesaid goods.</p> <p><b>Class 16:</b> Printed matter in the field of computers, multimedia products, interactive products and online services; instructional and teaching materials; magazines, newsletters, periodicals and printed publications; manuals, pamphlets, brochures and catalogues; office requisites; computer disk holders; paper and stationery, desk accessories, telephone and address books, agendas, diaries, calendars, decals, and bumper stickers; parts and fittings for all the aforesaid goods.</p> <p><b>Class 38:</b> Communication by computer, computer intercommunication; telecommunications services; telex, telegram and telephone services; rental, hire and leasing of communications apparatus and of electronic mailboxes; electronic bulletin board services; electronic transmission of data and documents via computer, delivery of data and messages by electronic transmission.</p> <p><b>Class 41:</b> Educational services, providing of training, instruction and entertainment in the field of computers, multimedia products, interactive products and online services, and distributing course materials therewith; arranging and conducting of exhibitions, workshops, seminars and video conferences; publication of printed matter and of instructional and teaching materials.</p> <p><b>Class 42:</b> Promoting the interests of computer user groups and computer online user services; computer consultation, design; testing, research and advisory services; research and development of computer hardware and software; leasing access and providing access to an electronic computer bulletin board; updating of computer</p>
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			<p>software; computer time-sharing services; leasing and rental of computers;; lithography printing; computer-aided design and engineering services; computer systems analysis; computer programming services; computer services relating to multimedia and/or interactive products; provision of computer databases.</p>
<p>ECTM Reg. No. 745</p>		<p>01.04.1996</p>	<p><b>Class 09:</b> Computers, computer terminals, keyboards, printers, display units, terminals; modems; disc drives; computer peripherals; communications equipment; facsimile machines, answering machines, telephone-based information retrieval systems; adapters, adapter cards, connectors and drivers; blank computer storage media, computer programs, operating systems, computer hardware, software and firmware; computer memory devices; data recordings; cameras; fonts, typefaces, type designs and symbols; chips, discs and tapes bearing or for recording computer programs and software; random access memory, read only memory; solid state memory apparatus; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer and electronic games; related computer equipment for use therewith; multimedia products comprising or for use with any of the aforesaid goods; interactive products comprising or for use with any of the aforesaid goods; parts and fittings for all the aforesaid goods</p> <p><b>Class 16:</b> Printed matter in the field of computers, multimedia products, interactive products and online services; instructional and teaching materials; magazines, newsletters, periodicals and printed publications; manuals, pamphlets, brochures and catalogues; office requisites; computer disk holders; paper and stationery, desk accessories, telephone and address books, agendas, diaries, calendars, decals, and bumper stickers; parts and fittings for all the aforesaid goods.</p>

		<p><b>Class 38:</b> Communication by computer, computer intercommunication; telecommunications services; telex, telegram and telephone services; rental, hire and leasing of communications apparatus and of electronic mail-boxes; electronic bulletin board services; electronic transmission of data and documents via computer, delivery of data and messages by electronic transmission.</p> <p><b>Class 41:</b> Educational services, providing of training, instruction and entertainment in the field of computers, multimedia products, interactive products and online services, and distributing course materials therewith; arranging and conducting of exhibitions, workshops, seminars and video conferences; publication of printed matter and of instructional and teaching materials.</p> <p><b>Class 42:</b> Promoting the interests of computer user groups and computer online user services; computer consultation, design, testing, research and advisory services; research and development of computer hardware and software; leasing access time and providing access to an electronic computer bulletin board; updating of computer software; computer time-sharing services; leasing and rental of computers; lithographic printing; computer-aided design and engineering services; computer systems analysis; computer programming services; computer services relating to multimedia and/or interactive products; provision of computer databases.</p>
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