

O-330-30

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No 2439062  
BY AYAD AHMAD TO REGISTER THE TRADE MARK**

**JELLYDROIDS**

**IN CLASSES 28 & 30**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 96183  
BY LUCASFILM ENTERTAINMENT**

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**IN THE MATTER OF application No. 2439062**

**By Ayaz Ahmad**

**To register the trade mark**

**JELLYDROIDS in Classes 28 and 30**

**and**

**IN THE MATTER OF Opposition thereto under No. 96183**

**by Lucasfilm Entertainment**

## **BACKGROUND**

1) On 17 November 2006, Ayaz Ahmad of 60 Carrington Terrace, Heaton, Newcastle upon Tyne, NE6 5SE applied under the Trade Marks Act 1994 for registration of the mark JELLYDROIDS in respect of the following goods:

### **Class 28**

*Toys; playthings; games including electronic games; puzzles; playing cards; toy models and figures; hand held computer games.*

### **Class 30**

*Confectionary; sweets; jellies; candy bars; ice cream and confectionary ices; chocolate; biscuits; beverages.*

2) Mr Ahmad's application was published in the Trade Marks Journal on 9 November 2007 and on 11 February 2008, Lucasfilm Entertainment ("Lucasfilm") of PO Box 29919, San Francisco, California 9412, USA filed notice of opposition to the application. The grounds of opposition are in summary:

- a) the application offends under Section 5(2) (b) of the Trade Marks Act 1994 ("the Act") because it is in respect of a similar mark and in respect to identical or similar goods to the following two earlier registrations in the name of Lucasfilm:

| Mark details                                      | Specifications  |
|---|---|
| 1225433<br>DROID<br>Filing date: 28 August 1984   | Class 28<br><i>Toys, games (other than ordinary playing cards) and puzzles being playthings; kits of parts included in Class 28 (sold complete) for making toy models.</i>  |
| 1233735<br>DROIDS<br>Filing date: 17 January 1985 | Class 28:<br><i>Toys and games (other than ordinary playing cards); kits of parts included in Class 28 (sold complete) for making toy models; kites (playthings) and parts and fittings therefor included in Class 28; jigsaw puzzles, rollerskates, ice-skates and skateboards; masquerade masks and bicycles, all being playthings.</i> |

b) the application offends under Section 5(3) of the Act because the mark is similar to Lucasfilm's mark no. 1233735, detailed above, which has a reputation.

3) Mr Ahmad subsequently filed a counterstatement denying Lucasfilm's claims and requesting that Lucasfilm provide proof of use in respect of all goods covered by its earlier registrations. He also claimed that the words DROID and DROIDS are generic words meaning a robot or robots.

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 18 February 2010 when Lucasfilm was represented by Dr Stephen James for RGC Jenkins & Co. and Mr Ahmad was represented by Mr Dominic Elsworth for Hargreaves Elsworth.

### **Opponent's Evidence**

5) This is in the form of a witness statement, dated 15 December 2008, by David Anderman, General Counsel of Lucasfilm Ltd and Secretary of the opponent company Lucasfilm, a wholly owned subsidiary of the former. Mr Anderman states that the marks DROID and DROIDS were coined by Lucasfilm and have been used continuously since at least as early as 1977 when the first *Star Wars* film was released. Lucasfilm Ltd is the exclusive owner of all rights in this movie and the subsequent seven *Star Wars* movies. He goes on to explain that the films are noted for their well-known characters, including the widely recognised robotic characters known as DROIDS.

6) Mr Anderman explains that these *Star Wars* films are among the most successful and well-known of all time. He supports this statement by giving some world-wide figures such as the film *Star Wars: Episode 1 – The Phantom Menace*, released in 1999, generated a total of \$922 millions in box office revenues, with a total of 152 million theatre-goers.

7) Since the release of the first of these films in 1977, Lucasfilm has widely used and promoted the names of characters appearing in the films as well as the marks adopted as collective terms for such characters including DROID and DROIDS. Mr Anderman states that *Star Wars* related toys are currently amongst the most popular action figure toy lines in the world and sales of licensed products have generated retail sales of billions of US dollars.

8) Mr Anderman also states that, as a result of the extent of advertising and promoting, the DROID/DROIDS marks have established a strong association, in the minds of the public, between Lucasfilm and the products bearing the marks. To support this, at Exhibit DA2, he provides extracts from Internet fan sites making reference to DROID characters that feature in *Star Wars*. The first of these, [www.jedinews.co.uk](http://www.jedinews.co.uk), dated 12 September 2008, and under the title “Even juicer LEGO 2009 Rumour List”, mentions the following characters: “Hyena Droid Bomber”, “Vulture Droid”, “Battle Droids” and “Super Battle Droids”. The second extract was obtained from the website [www.rebelscum.com](http://www.rebelscum.com) and reports on the British Toy Fair 2007, held in London. It describes the fair as “the largest of its kind in the UK”. Included in this extract is a critique of a *LEGO* product identified as “7660 Naboo N-1 Starfighter and Vulture Droid” (later identified as being for sale for £29.99). Another *LEGO* product identified as “7662 Trade Federation MTT” is a 1300 piece set that includes 21 “battledroids” and a “droideka” (and later identified as being for sale for £79.99). It is recorded that *Corgi* import and distribute *Star Wars* collectibles into Europe and these include *Topps* trading cards. The same extract also provides a history of *Hasbro* and its association with *Star Wars* identifying that *Hasbro*’s first line of *Star Wars* toys was available in 1997 and have covered all six movies since. Finally, there are extracts from [www.theprivateuniverse.co.uk](http://www.theprivateuniverse.co.uk), also dated 12 September 2008, reporting on the same toy fair and the same *LEGO* products and giving retail prices of £29.99 and £79.99 respectively. There are also extracts from a forum entitled “UK Star Wars and Sc-Fi Message Board Forums – The Cantina”, hosted by the same website and where contributors to the forum discuss products such as “Build A Droid Exclusive Sets” and a “homing spider droid” that appear to have been exhibited in a toy fair in 2008.

9) Mr Anderman confirms that there has been use of both the marks DROID and DROIDS in the UK during the relevant period, being the five year period up to 9 November 2007, through licensed use, including by *Hasbro* and *LEGO*. At Exhibit DA4 are samples of artwork or packaging for various of *LEGO*’s products. All the relevant examples of packaging prominently display both the *LEGO* and *Star Wars* marks. In addition, this packaging includes a product number and numbers that

appear to indicate the suitable age range for the toys. Also, they include a further indication as to the precise nature of the product. The following is a list of the relevant products and I have included the <sup>TM</sup> symbol as it appears in the indication on the packaging: “Homing Spider Droid<sup>TM</sup>”, “Droids<sup>TM</sup> Battle Pack”, “Battle Droid Carrier”, “Naboo N-1 Starfighter<sup>TM</sup> and Vulture Droid<sup>TM</sup>”, Hailfire Droid & Spider Droid<sup>TM</sup>”, “Droid Gunship<sup>TM</sup>”. There are a number of further *Lego* exhibits that are illegible. The exhibit also includes a number of further products. The packaging of one bears the website name “starwars.hasbro.com”, but there is no further reference to *Hasbro*. The packaging of these products prominently features the mark *Star Wars*. On the first package shown are also the words “Galactic Heroes” and “Battle Droid”. Another carries the words “Jawa<sup>TM</sup> & Lin Droid<sup>TM</sup>”, another the words “Super Battle Droid<sup>TM</sup>” and another (shown below) the words “Battle Droids<sup>TM</sup>”:



10) The same exhibit also includes photographs of packaging where the words “battle droids” are not accompanied by the ™ symbol, such as that shown below:



11) Mr Anderman states that Hasbro sold more than 400,000 toys, bearing the DROID or DROIDS marks, in the UK between the years 1999 – 2007. These include “Super Battle Droid”, “Battle Droid”, “Destroyer Droid”, Battle Droids”, “Tri-fighter Droids” and “Pit Droids”. Mr Anderman states that there would have been similar volumes of sales to the above since 1999 when Lego acquired the licence. He also states that Hasbro and its predecessors have been producing licensed *Star Wars* merchandise since 1977. These products are sold through conventional toy stores, supermarkets, online retail websites and mail order catalogues.

12) Mr Anderman provides numerous figures relating to sales in the UK and these are summarised in the table below:

| Product                       | Units Sold in UK                                     | Net UK Sales (US\$)                    |
|-------------------------------|--|--|
| Lego's "Battle Droids"        |  | 1.9 million between 1999-2007          |
| Lego's "Super Battle Droid"   |  | 13.2 million (unspecified time period) |
| Lego's "Battle Droid Carrier" | 23,000 (unspecified period, but introduced in 2001)  |  |
| Lego's "Battle Droids"        | 6,500 (unspecified period but introduced in 2000)    |  |
| Lego's "Droids Battle Pack"   | 200,000 (unspecified but introduced in January 2007) | In excess of 2 million                 |
| Lego's "Droids Tri-fighter"   | 83,000 (unspecified but introduced in 2005)          |  |

13) Mr Anderman explains that Lucasfilm's DROID products are promoted in various ways including advertising campaigns in printed media, on websites, at trade shows and exhibitions. The majority of this promotion is undertaken by Lucasfilm's licensees, *Lego* and *Hasbro*, such as through their websites, as well as through established online retailers such as *Amazon.com*. Extracts from these websites are provided at Exhibit DA5 showing, for sale, products variously described as "Star Wars Battlefront 2 Droid Pack", "Star Wars 3.75" Clone Wars Basic Figure Super Battle Droid", "LEGO Star Wars 7654 Droids Battle Pack", "Star Wars Episode 1 Battle Droid" and other similar products. These extracts were all obtained between August and December 2008, however, one extract from product.dooyoo.co.uk is of a "Product Archive" relating to November 2006 and illustrates *Lego's* Jedi Starfighter & Vulture Droid and Droid Tri-fighter.

14) The same exhibit also includes general references to Star Wars DROID products such as the following two extracts that appears on the *Lego* website:

"Sandcrawlers are huge fortresses used by the Jawas as transportation and shelter. This incredible vehicle from Star Wars Episode IV A New Hope has fantastic detail and includes a total of 11 Star Wars figures and droids."

"Back in 1970 an idea was conceived that would become a worldwide cult saga captivating audiences young and old. George Lucas created an epic space saga called Star Wars. Set in a fictional galaxy we are introduced to an array of weird and wonderful characters, alien creatures and robotic droids in a world where space travel is common place..."

15) All the exhibits included in Exhibit DA5 relate to toy figures, sets for constructing such figures, books, DVDs, computer games, head phones, key fob in the shape of a *Star Wars* characters and on one occasion, an American comic.

16) Exhibit DA6 consists of copies of an extract from the website [www.celebrationeurope.com](http://www.celebrationeurope.com) relating to a fan event called “Star Wars Celebration Europe” held at Earls Court Exhibition Centre, London in July 2007 to celebrate the 30<sup>th</sup> anniversary of the *Star Wars* films. The event included an activity where *Star Wars* fans constructed their own DROID models. The relevant text that appears in this exhibit is produced below:

“STAR WARS CELEBRATION EUROPE – DROID BUILDERS MAKE THEIR CELEBRATION EUROPE DEBUT!

...

“The R2 Builders Group is delighted to be taking part in Celebration Europe, honouring 30 years of *Star Wars* and we already have a large number of droids and droid builders confirmed to attend from all over Europe”, says Oliver Steeples, R2 Builders UK Organizer.

Droid fun will not be limited to the Builders’ Room! The Builders will be taking part in discussion panels, run a Droid Hunt competition, and the droids will be mixing and mingling with attendees in the public areas.

...

The R2 Builders typify the dedication and commitment of Star Wars fans. Each droid is painstakingly constructed...

The R2-D2 Builders, a group of fans who construct their own movie-real models of droids from the *Star Wars* saga...

...Their work is most impressive – many of their droids are hard to distinguish from the droids that were created for the movies.

The droid designers will exhibit their creations...”

17) Star Wars DROID products are also promoted by *Lego* through posters showing fifteen characters in each and include various DROID characters such as “Super Battle Droid™” and “Battle Droid™”. Exhibit DA7 includes copies of two of these posters, both dated in 2008. Mr Anderman also informs that prominent use has been made of Star Wars characters in “a recent” *McDonald’s Happy Meal* promotion. Copies of packaging in which the giveaway toys were wrapped are provided at Exhibit DA8, but none of these refer to the term DROID or DROIDS, although the character “C-3PO” is featured and could be described as being an android or robotic in character. There is no indication that this promotion took place in the UK.



18) At Exhibit DA11, Mr Anderman provides copies of Internet pages that show use of Star Wars characters used in connection with *Pez* candy. These show packets that include both a Star Wars character and a number of packets of sweets. In relation to the “C3P0 Giant Pez” the text includes:

“Your favourite protocol droid as a part of the Star Wars Giant Pez collection.”

19) At Exhibit DA12, Mr Alderman provides copies of a letter dated 16 January 2008 from Lucasfilms to the publisher *Random House*, seeking to correct, what Mr Anderman describes as an “erroneous identification of the word DROID™” in a *Random House* dictionary”. The publisher replied on 15 February 2008, agreeing to amend the entry to acknowledge that the word DROIDS is used as a mark. He cites this as an example of Lucasfilm’s action to protect its marks “and has particularly taken action to prevent those marks from becoming generic”.

20) Finally, Mr Alderman states that Lucasfilms has an active policing policy around the world and has consistently objected to trade mark filings containing the word DROID. He provides some examples of such actions, namely, against a CTM application for the mark DROID and in respect of “luggage” and against a CTM I-DROID in respect of unspecified goods and/or services. Other successful actions have been taken around the world in respect of DROID for bicycle boots, DROIDWARS for video games, STARDROID, again for computer games and DROID for clothing.

### **Applicant’s Evidence**

21) This takes the form of a witness statement by Ayaz Ahmad, Company Director of Candy Bus Limited, a company he founded in May 2008. He provides background regarding how he developed the concept of JELLYDROIDS. He explains that they are inspired by the ZX Spectrum computer games of the 1980s and are based on robot characters that featured in a children’s book he commissioned. At Exhibit AA3, Mr Ahmad provides a copy of a page from the website [www.worldofspectrum.org](http://www.worldofspectrum.org) that provides information on the Spectrum computer game *1994 – Ten Years After*. This game is recorded as having its year of release being 1983. Other extracts in the same exhibit show that JELLYDROIDS featured in this game. Mr Ahmad draws attention to the fact that this game was released before the filing dates of either of Lucasfilm’s earlier rights.

22) At Exhibit AA5, Mr Ahmad provides copies of a reference from the Oxford English Dictionary in respect of the term DROID. It states:

“1. (*in science fiction*): a robot. 2. *Computing*: a program which automatically collects information from remote systems. *ORIGIN*: 1970s: shortening of *ANDROID*”

A similar reference from the user-authored Wikipedia website is also provided at Exhibit AA6.

23) Mr Ahmad provides copies of national newspaper articles, scientific journals and research publications at Exhibit AA7. He states that these all show the word DROID being used synonymously with the word “robot”. The first of these is an extract from [www.newscientist.com](http://www.newscientist.com) and is an article dated 3 June 2000 entitled “Droids are cooking” and describes a robotic chef displayed at the National Restaurant Association convention in Chicago. A second article, from the same website and dated 7 August 1999 is entitled “Improvising droids” and discusses robotic actors displayed at a conference on artificial intelligence. An extract from the technology blog on the website [www.guardian.co.uk](http://www.guardian.co.uk) obtained on 3 June 2009 is entitled “Why no droids? Because scientists are crap”. Information about the article states “[l]eading expert on robots wonders whether humans will ever be clever enough to build real robots”.

24) Further, an extract, posted on a discussion forum on the website [www.moonpod.co.uk](http://www.moonpod.co.uk) on 4 August 2005 reads as follows:

“Empire this month has a sci-fi supplement and in it they list their top ten droids.

1. R2-D2 (Star Wars)
2. Robby (Forbidden Planet)
3. Bender (Futurama)
4. T-1000 (Terminator 2)
5. Data (Star Trek)
6. Bishop (Aliens)
7. Maria AKA Death (Metropolis)
8. ED-209 (Robocop)
9. David (AL)
10. Marvin (Hitchhiker’s Guide to the Galaxy)”

25) In the same exhibit is also an extract from the website [www.cl.cam.ac.uk](http://www.cl.cam.ac.uk) entitled “Beyond Gray Droids: Domestic Robot Design for the 21<sup>st</sup> Century” and provided information on a workshop for researchers relating to robots for use in domestic environments. The final three extracts in this exhibit are from [www.theregister.co.uk](http://www.theregister.co.uk). The first of these, posted 18 June 2008, is entitled “Roomba robot maker to build DARPA squidge-droids” and describes the development of “a “soft” robot able to wriggle its way through “openings smaller than its actual structural dimensions””. The second extract, posted 29 January 2008, is entitled “iRobot inks deal for laser-radar droidvision sensors” and reports that a company that it describes as “the purveyor of domestic droids” has acquired use of laser-scanning technology in future designs. The final extract, posted 20 December 2007, is entitled “US ‘robot surge’ deal re-inked after droid

piracy fracas” and records that “noted droid manufacturer iRobot” has landed a major contract from the US Army for 3000 “droid soldiers”.

26) Mr Ahmad provides, at Exhibit AA8, a copy of an extract from Lucasfilm’s own *Star Wars* website. He contends that they show Lucasfilm using the term DROID as a noun. The catalogue pages of this website include a Clone Trooper Blaster together with the text “Join the clone troopers as they battle the droid armies...” and a book entitled “Star Wars Omnibus – Droids” with the description including the text “...those troublesome droids had some amazing adventures..” and “...these tales brim with the wonder and whimsy that made this unlikely pair the most popular droids in the galaxy!” Other similar examples are also provided.

27) Mr Ahmad, at Exhibit AA9, provides examples, all dated 4 June 2009, of Lucasfilm’s licensees, namely Hasbro and Lego, using the term DROID as a noun. The first three of these provide product information for “7670 Hailfire Droid & Spider Droid™”, “7751 Ahsoka’s Starfighter™ & Vulture Droid™” and “Separatist Spider Droid™”. The narrative about each of these toys refers to the names of the toy without further use of the ™ symbol as well as other DROID characters such as a “battle droid” and “buzz droids”. Two extracts from Hasbro’s website again provide information about *Star Wars* products and includes a reference to “Battle Droids” as well as “droid factories”, “droid armies” and “droid foundaries”.

28) Mr Ahmad states that the word DROID is used by numerous third parties in online computer games, in the television programmes “Ben10” and “Dr Who” and in the children’s book entitled “Astrosaurus: Day of the Dino-droids”. To support this statement, Mr Ahmad provides, at Exhibit AA10, copies of extracts from the websites of Internet retailers all dated 4 June 2009, illustrating the sale of a “Doctor Who 2007 – 12” Clockwork Droid”, a “Dr Who Figure Set – Clockwork Droid Men Army”, an “Anne Droid” card, and a number of “Clockwork Droid Masks”. A further extract also illustrates the children’s book being for sale and with, what appears to be a publication date of 1 June 2006. Finally, there are three further extracts relating to online games, the first referring to a game named “War Droids”, the second to a game named “Droids” and the third named “Mr Soccer Robot Football”. The last of these refers to the following: “dribbling droids”, “...highly desirable droids...”, and “[t]he R2D2-esque droids...”

29) Mr Ahmad also states that Lucasfilm does not have any DROID or DROIDS marks anywhere in the world in respect to Class 30 goods.

30) Mr Ahmad also provides a number of submissions in his statement that I will not detail here.

31) Finally, Mr Ahmad refers to a discussion with Lucasfilm’s head of licencing where he was told that Lucasfilm had very little involvement in the sugar confectionery market in the UK.

## Opponent's Evidence in reply

32) This takes the form of two witness statements. The first of these, dated 3 September 2009, is by Casey Collins, Senior Director of International Licensing and Retail Marketing for Lucas Licensing Ltd., a division of Lucasfilm Entertainment Company Ltd.. This statement is in reply to Mr Ahmad's claim that he was told that Lucasfilm had very little involvement in the sugar confectionery market in the UK. Mr Collins remembers well his conversation with Mr Ahmad which took place on 23 January 2009. On the contrary, Mr Collins states that he has personal knowledge of Lucasfilm being "heavily involved in licensing in the sugar confectionery trade in the UK...as is abundantly clear from the evidence filed on behalf of [Lucasfilm]"

33) The second witness statement is again by Mr Anderman and dated 3 September 2009. Mr Anderman responds to a number of points, including stating that Lucasfilm reached an agreement with the proprietors of the PARADROID mark, to limit its use. He also points out that, despite Mr Ahmad providing examples of instances where DROID has been used in respect of computer games and toys, he has failed to provide any evidence of DROID or DROIDS currently being used as a trade mark. With the exception of PARADROID, every example provided by Mr Ahmad relates to third-party use of DROID or DROIDS to refer to robots or robot-characters in games.

34) Mr Anderman notes that the Oxford English Dictionary does not note the trade mark status of the word DROID and states that similar correspondence has been sent to Oxford University Press. Copies of three letters from Lucasfilm are provided Exhibit DA14 and appear to show an ongoing dialogue with the publisher.

35) In response to Mr Ahmad's evidence to the extent that Lucasfilm has no or little commercial presence in the confectionery market, this is refuted by Mr Anderman who, at Exhibit DA20, provides a copy of *Tomart's Price Guide to Worldwide Star Wars Collectibles*, published in October 1997. Various products are listed for England, such as, mallow shapes, chewbars, chocolate sweets and shapes. Various Star Wars characters are identified in respect of these products. The reference to DROIDS is limited to a "Droid mini poster" listed under the heading of cereals, but with no indication as to whether this was available in the UK. There is a listing relating to "candy or gum w/Droids images" under the heading "Spain". Finally, the term DROIDS is also listed in respect of bubble gum, but no representation of the packaging is shown, nor is there any indication as to which territory such products were available.

36) Mr Anderman explains that there is a strong link between toys and foods, beverages and confectionary and draws attention to a number of animated television series spawned from *Star Wars* and directed at children. He then goes on to provide a long list of companies that has produced food, confectionary,

celebration cakes, snacks and fast food under licence to use DROID and DROIDS marks and/or other *Star Wars* related properties. Copies of packaging relating to the same, as they appear in a book about to be published by Lucasfilm are shown at Exhibit DA22. Examples illustrating confectionery sold in the UK, comprise a copy of packaging for “mallow shaped candy” bearing the mark *Star Wars* and indicated as originating from the UK in 1978, and a copy of resin prototypes of a chocolate bar indicating that these originated from the UK in 1999. This final exhibit also included an illustration of the packaging with the marks *Cadbury’s* and *Star Wars* appearing upon it.

37) Mr Anderman confirms that the *Pez* confectionery products exhibited with his first witness statement were used under licence in the UK and that, in addition, *Star Wars* character names and images have been used under licence in the UK for many different types of confectionery products including fruit jellies, chocolates, chocolate eggs, jellybean eggs, lollipops and marshmallow chews. Examples of these are shown at Exhibit DA24. Some of the packaging carries information such as “product of the Republic of South Africa” appearing on the packaging. Others are clearly intended for the UK market. Most of these exhibits are undated, but not all. These include “fruit snacks”, the packaging of which features dominantly the *Star Wars* mark and representations of characters from the films, “crystal jellies” in the shape of *Star Wars* characters and “fruit flavoured shaped jellies”. The latter products appear in an extract from the website [thesecca.com](http://thesecca.com) that describes itself as the “Star Wars Collectors Archive”. Information about the product states that it is from the UK in 2005 and identifies the licensee that produced the product as coming from the UK. Other examples include the packaging for *Star Wars* branded bubble gum, lollipops and also chocolate eggs, some containing fruit flavour jellies and produced by the same UK licensee, packaging for “Star Wars Jelly Shapes” bearing a “best before” date of 31 January 1998 and sweet tins in the form of *Star Wars* characters.

38) In support of the proposition that some toys are edible and that there is often an overlap between toys and confectionery, Mr Anderman, at Exhibit DA26, provides examples of sweets in the shape of lips, teeth, lipstick, watches, whistles, necklaces, balls, coins and even cigarettes. Further, Mr Anderman points to how toys and confectionery are sold together as a kit or single unit such as trading cards including gum, candies with toy dispensers such as the *Pez* range referred to earlier. Exhibit DA27 provides examples of these types of products sold in the UK. These include extracts from the website [www.bonbonbuddies.com](http://www.bonbonbuddies.com) obtained on 1 September 2009, including chocolate eggs containing dominoes or 3D puzzles and candy filled novelties such as cars and planes.

39) Mr Anderman states that, in character merchandising, there is a strong connection between toys and confectionery. In addition to Lucasfilm’s own licensing program, he also refers to other third party character merchandising examples where this is done through the medium of confectionery packaging. He

provides examples of these at Exhibit DA29 including *Batman* chocolate bars and sweets appearing on the website [babylonpartyplanner.co.uk](http://babylonpartyplanner.co.uk) as of 28 August 2009 and *Spider-Man* “gummies” and *Scooby-Doo* fruit snacks appearing on [bewarethecheese.com](http://bewarethecheese.com) on the same date.

40) Finally, Mr Anderman provides an extract from the Collins English Dictionary in respect of the word JELLY. This is shown at Exhibit DA30 and the relevant text reads:

“**Jelly**...*n* 1 a fruit-flavoured clear dessert set with gelatine... 2 a preserve made from the juice of fruit boiled with sugar and used as jam... 4 anything having the consistency of jelly...

**Jelly baby** *n Brit* a small sweet made from a gelatinous substance formed to resemble a baby in shape

...

Jellybean ... *n* a bean-shaped sweet with a brightly coloured coating around a gelatinous filling”

## DECISION

### Proof of use

41) The Trade Marks (Proof of Use, etc) Regulations 2004 apply in this case. The provision reads as follows:

#### **“6A Raising of relative grounds in opposition proceedings in case of non-use**

(1) This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1),(2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, ...

...

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services...”

42) The requirements for “genuine use” have been set out by the European Court of Justice (ECJ) in its judgment in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and in its reasoned Order in Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar S.A.* [2005] ETMR 114.

43) In *Ansul*, the ECJ held as follows:

“35. ... ‘Genuine use’ therefore means actual use of the mark....

36. ‘Genuine use’ must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user...

37. It follows that ‘genuine use’ of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark

confers and the consequences of registering it in terms of its enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns...

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

44) In *La Mer* the ECJ held as follows:

21. ... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out....

...

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.



45) Finally, in *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-416/04 P* the ECJ stated:

“72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

46) Lucasfilm’s marks both date back to the mid-1980s and the application in suit was published on 9 November 2007. The earlier marks were therefore registered more than five years before the publication of Mr Ahmad’s application and, as such are subject to the proof of use requirements. The relevant period in which use must be shown is the five years ending with the date of publication, namely 10 November 2002 to 9 November 2007. Lucasfilm is required to demonstrate use in the UK. At the hearing, Lucasfilm informed me that it was content to rely upon proof of use only in respect of *toys, games, kits of parts for making toy models*.

47) Taking account of the guidance from the courts it is clear that genuine use does not need to be quantitatively significant and that when asking if the use is sufficient it is necessary to assess all surrounding circumstances.

48) Mr Ahmad contends that the word DROID is non-distinctive by virtue of the fact that it describes a robot in science fiction. I note this, and I will discuss it in more detail later in my decision. However, within the context of assessing genuine use I am mindful of Section 72 of the Act that reads:

“72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

49) As such, in the absence of any counter-claim for invalidation, it is not open to me to make a finding that the marks DROID and DROIDS are non-distinctive. I must assume that Lucasfilm’s marks are valid and therefore are endowed with at least the minimum level of distinctiveness. It does not necessarily follow that a validly registered mark is being used in a way that is consistent with the essential function of a trade mark, namely, it must be capable of distinguishing goods or

services of one undertaking from those of other undertakings. Mr Ahmad contends that, in this case, the use is not consistent with the essential function and that the use serves only to describe robotic characters that appear in the *Star Wars* films. I must therefore consider if the use made of the marks DROID and DROIDS by Lucasfilm is consistent with that essential function.

50) From the guidance found in paragraph 36 of *Ansul*, it is known that genuine use must be consistent with this essential function, namely, to guarantee the identity of the origin of goods to the consumer or end user. It is also worth noting the context and rationale for revocation on the grounds of non-use which can be seen in the 9th recital of the Directive 2008/95/EC of 22 October 2008 (codifying Council Directive 89/104/EEC of 21 December 1988) which states:

“(9) In order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation.”

51) The rationale is that registers should not be clogged with unused marks otherwise the number of conflicts with other marks will be unnecessarily high. It is, effectively, a use it or lose it policy. However, as can be seen from *Ansul*, the ECJ extends such a policy to use it *as a mark* or lose it. In terms of applying this to the current proceedings, whilst the perception of the average consumer (as to whether they perceive it as a mark) is not completely irrelevant, neither can it be decisive, otherwise, the issue of inherent or factual distinctiveness may override the precise assessment to be made. In view of this, I believe the correct test is whether the nature of the use put forward is capable of being taken by the average consumer as indicating trade origin and, therefore, the nature of the use is consistent with the essential function of a trade mark.

52) In the current case the marks DROID and DROIDS are used by Lucasfilm and its licensees to identify characters and products in the form of, or that can be constructed in the form of, these characters. Mr Anderman states, in his witness statement, that during 2007, and before the end of the relevant period, Lego offered for sale in the UK, DROID-based toys. Examples of these, shown in his Exhibit DA4, include “Droids™ Battle Ship”, “Droids™ Battle Pack”, “Homing Spider Droid™”, “Battle Droids™” and other similar toys. If used as a sign to designate trade origin then such use is in the form of a tertiary mark to the two marks *Lego* and *Star Wars* that appear more prominently on the packaging. The use of the ™ symbol appears to support the argument that Lucasfilm is using the term as a mark to identify the trade origin of the products. Similarly, the photograph of the packaging reproduced in paragraph 9 above provides evidence of the use of “Battle Droids™” in relation to goods not produced by Lego (Mr Anderman’s witness statement indicates that it was produced by Hasbro, but this is not obvious from the packaging).

53) Other examples are provided, however, it is less clear whether they relate to the relevant period, whilst others appear to support Mr Ahmad's claim that the term DROID has a descriptive meaning. For example, in the same exhibit referred to above is a photograph (reproduced in paragraph 10 above) of packaging bearing two occurrences of the *Star Wars* mark together with the words *Galactic Heroes*. The words "Battle Droid" appear in the bottom right corner of the packaging. In this example, it is not clear whether the use merely describes the product or whether it is intended to indicate trade origin.

54) In conclusion, the evidence of use is not wholly clear as to whether the use shown is consistent with the essential function of a trade mark. However, Lucasfilm has made efforts to clearly indicate its (or its licensees') use as a trade mark by the addition of the <sup>TM</sup> symbol after the word DROID or DROIDS. Whilst this is not determinative, it does add weight to the argument that Lucasfilm has used the mark to indicate trade origin. Taking all these points together and on balance, I find that Lucasfilm has used the marks DROID and DROIDS in such a way consistent with the essential distinguishing function.

55) In coming to such a conclusion, I have also been mindful of the guidance provided by the Court of Appeal in *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc (BUD)* [2003] RPC 25 and the various judgments of the General Court (previously known as the Court of First Instance) as reviewed by Richard Arnold QC, sitting as Appointed Person, in *NIRVANA Trade Mark* (BL O/262/06) and *REMUS Trade Mark* (BL O/061/08). It is established that where a mark is used in a form other than that registered, it must not alter the distinctive character of the mark as registered. Whilst not argued by Mr Ahmad, for the sake of completeness, I comment on it briefly here. The use of the marks DROID and DROIDS are as part of composite signs where they appear with other matter such as the word or words "Battle", "Super Battle", "Homing Spider" etc.. In my considerations it has been my view that such use, in combination with obviously descriptive terms, does not prevent the marks, as registered, from retaining their own independent character.

### ***Scale of use***

56) Having established that the use is consistent with the essential function of a trade mark, I must also consider if the scale of the use is sufficient to support a claim of genuine use. Mr Anderman, in his witness statement, represents the scale of sales of specific DROID products either in terms of numbers sold or in terms of revenue. From the way these have been presented it is not possible to ascertain what use relates specifically to the relevant five year period. However, Mr Anderman does state that 400,000 toys bearing the DROID or DROIDS marks have been sold in the UK between 1999 and 2007. These include 23,000 of Lego's "Battle Droid Carrier" introduced in 2001, 6,500 of Lego's "Battle Droids" introduced in 2000 and 200,000 of Lego's "Droids Battle Pack" introduced in 2007. Whilst it is clear from the introduction dates and the date of

Mr Anderman's witness statement that not all these sales relate to the relevant five year period, it is equally clear that a proportion of them do.

57) At the hearing, Mr Elsworth pointed to the fact that Lucasfilm have not provided any direct evidence of sales and he also claims that there is no evidence to indicate that the products shown in the evidence were sold in the UK. Whilst it is clear that one is intended for sale outside the UK (one exhibit shows packaging advertising a special offer and bearing the words "valid in the US and Canada only"), however, the other exhibits do not have any such indication. In fact, numerous examples provided in Exhibit DA5 show various of Lucasfilm's DROID toys for sale on Internet retail websites such as Amazon.co.uk and bearing prices in pounds sterling. Whilst these exhibits are dated nearly two years after the relevant date, when considered in the context of the other evidence, I am prepared to accept that they demonstrate an ongoing trade that began at least during the relevant period and very possibly before the start of the period. They illustrate an established trade in new and used DROID toys. There were numerous criticisms of Mr Anderman's evidence made by Mr Elsworth at the hearing, but in the absence of any request to cross-examine Mr Anderman and in the absence of any evidence to counter his use claims, it is not open to me to disbelieve the statements he has made. I am fortified in this view by the comments of Richard Arnold QC (as he then was, sitting as the Appointed Person) in *EXTREME Trade Mark* [2008] RPC 2:

"36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that ... it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. .... I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

58) In taking all the evidence together, whilst not particularly well marshalled to illustrate use in the relevant period, I am satisfied that it illustrates a scale of use that is sufficient to clear the hurdle set in *Ansul* and demonstrates genuine use.

### ***Fair specification***

59) Having established that the marks, as registered, have been used, it is necessary for me to consider the goods in respect to which that use relates and what is an appropriate way to reflect this in a specification of goods. At the hearing, Dr James stated that Lucasfilm was only relying on a specification for *toys, games and kits of parts for making toy models*. He contended that such a specification is justified by the use shown and as such is consistent with the guidance provided in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 and *Reckitt Benckiser v Office for Harmonization in the Internal Market (ALADIN)* Case T-126/03. The relevant extract from *Thomson Holidays* states:

“29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the

court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

60) The guidance provided by *ALADIN* is as follows:

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marienfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of subcategories capable

of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the subcategory or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

...

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category."

61) I would also add to these, the guidance from Mr Justice Jacob (as he then was) in *Animal Trade Mark* [2004] FSR 19:

"20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only

been use for three holed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

62) Applying this guidance it is clear to me that the limited specification as suggested by Dr James, at the hearing, is generally appropriate. The evidence provided by Lucasfilm illustrates use in respect of toy figurines such as the "Battle Droids" illustrated in its Exhibit DA4 and also numerous *Lego* "kits". These are sufficient to allow Lucasfilm to retain *toys and kits of parts for making toy models*. However, there is no evidence showing use in respect of *games* during the relevant period. There is some, very limited evidence of *Star Wars* branded games being available, notably the "*Topps* trading cards" imported by Corgi and referenced in the information about the 2007 British Toy Fair, but there is no indication that DROID or DROIDS are used as marks in respect of these goods. Also there is evidence of a *Nintendo DS* game called "*Star Wars The Clone Wars Jedi Alliance*" in Exhibit DA21, but the exhibit is dated 1 September 2009 which is after the relevant date.

63) In light of the above, I find that an appropriate specification for Lucasfilm's earlier registrations is *toys and kits of parts for making toy models*.

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

64) Section 5(2)(b) reads:

"(2) A trade mark shall not be registered if because –

(a) ...

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



there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

65) An earlier trade mark is defined in section 6 of the Act, 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), Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

66) Lucasfilm relies upon two earlier rights, both are registered and with application dates that predate the current application and therefore qualify as earlier marks as defined by Section 6 of the Act.

67) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the ECJ in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). 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) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(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 and Adidas Benelux BV*,

(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*.

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*

### **Comparison of goods**

68) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods

and services should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 23:

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

69) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

70) For convenience, I reproduce the respective relevant goods below:

| <b>Lucasfilm’s goods</b>  | <b>Mr Ahmad’s goods</b>   |
|---|---|
| <p><b>Class 28</b></p> <p><i>Toys and kits of parts for making toy models</i></p> | <p><b>Class 28</b></p> <p><i>Toys; playthings; games including electronic games; puzzles; playing cards; toy models and figures; hand held computer games.</i></p> <p><b>Class 30</b></p> <p><i>Confectionary; sweets; jellies; candy bars; ice cream and confectionary ices; chocolate; biscuits; beverages.</i></p> |

71) Both Class 28 specifications contain the terms *toys* and these are self-evidently identical. Further, it is well established that goods can be considered identical when those covered by an earlier mark are included in a wider term by a later mark (and vice versa); see *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 133/05. With this guidance in mind, it is clear that Lucasfilm’s *toys* can also include, or be described as *playthings*. Similarly, *toy models and figures* are also covered by Lucasfilm’s term *toys*. As such, identity exists between all of these respective goods.

72) In respect of Mr Ahmad’s *games including electronic games, puzzles and hand held computer games*, these are not covered by the terms in Lucasfilm’s specification. I understand the term *toy* to mean an object for a child to play with, typically a model or miniature replica<sup>1</sup>. Mr Ahmad’s *electronic games, puzzles,*

<sup>1</sup> "toy n." *The Concise Oxford English Dictionary*, Twelfth edition . Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2008. *Oxford Reference Online*. Oxford University Press. Intellectual Property Office. 12 March 2010 <<http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t23.e59396>>

*playing cards* and *hand held computer games* cannot be described in this way. Therefore, their respective nature is different. That said, their intended purpose is the same, namely to entertain and amuse the user. They will normally share the same users, namely children. Whilst the respective trade channels may exhibit some differences, where they are sold in department stores or supermarkets they appear on adjacent or even the same shelves. However, in specialist toy shops they will appear on different shelves. They may also be in competition with each other as the purchaser may consider a range of options including *toys, games* and *puzzles*. It has been said that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods lies with the same undertaking: *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (Boston) Case T-325/06*. Applying this guidance to the current comparison, I cannot conclude that Mr Ahmad's goods are indispensable or even important in Lucasfilm's goods. Taking all of this into account, I conclude that Mr Ahmad's *electronic games, puzzles, playing cards* and *hand held computer games* share a reasonably high level of similarity with Lucasfilm's *toys*.

73) In respect to Mr Ahmad's Class 30 goods, Lucasfilm has put forward arguments that there is close links between its Class 28 goods and confectionery. He argued that they share the same target audience, namely young children. I accept that the relevant consumers for both sets of goods are drawn from the same group of the general public, namely children and adolescents. However, the nature and intended purpose of the respective goods are quite different. One is in the form of a foodstuff for human consumption and normally as a treat, the other being manufactured, non-edible goods designed to entertain a child. Their respective trade channels are usually different and where they are sold in the same shop, such as a supermarket, they appear in different parts.

74) Lucasfilm has argued that confectionery can sometimes be in the form of a toy (and it follows that they would be in competition). Mr Anderman supported these contentions by providing evidence that confectionery is available in the form of lips, lipstick, watches, whistles etc. I note this, but also note that this is not the norm as confectionery is usually sold as just that, with no link to toys. Further, the intended purpose of such confectionery, regardless of its form, remains as a sweet treat to be consumed. Whilst the specific form of the confectionery may increase the appeal of the goods to the relevant consumer (children, in this case) it does not put that confectionery is competition with toys taking the same form. To illustrate this point, a toy in the form of "lips" may be purchased as a play item and possible as part of a dressing-up outfit. On the other hand, confectionery in the form of "lips" may have an increased appeal because of its novelty, but it will not be purchased as a replacement for the toy equivalent, but rather will still be purchased as a sweet treat. As such, I conclude

that the existence of toys in these forms does not demonstrate that confectionery and toys are in competition with each other.

75) Lucasfilm also argues that confectionery is sometimes marketed with a toy (and could be described as complementary with each other). This may sometimes occur, but this is not the normal way in which confectionery is marketed and certainly, such marketing techniques do not lead to the conclusion that toys and confections are complementary to each other in the sense described in *Boston*. Finally, Lucasfilm provides evidence to illustrate that film characters are sometimes promoted in relation to various food items including confectionery such as the *Pez* confectionery dispensers featuring *Star Wars* characters. This may occasionally be the case, however, once again this does not lead to the conclusion that the respective goods are complementary to each other, as claimed. One is not essential or important to the use of the other.

76) Taking all of the above into account, I conclude that if there is any similarity between Lucasfilm's Class 28 goods and Mr Ahmad's Class 30 goods, then this is only very low.

### ***The average consumer***

77) As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who the average consumer is for the goods and services at issue. I have found that some of the respective goods are identical and it follows that they also share the same average consumer. This is the case regarding the Class 28 goods of the parties. Here the average consumer is generally children or parents buying for children. The purchasing act will range from a casual purchase with very little attention to a very well considered purchase where efforts are made to obtain the precise toy that may, for example, form part of a collection of toys.

78) In respect of Mr Ahmad's Class 30 goods, whilst confectionery can be aimed at children, it can also be aimed at adults. The same can be said more generally about the other goods covered by Mr Ahmad's Class 30 specification. Such goods are everyday items, bought as part of a regular weekly shop for the family or as an *ad hoc*, impulsive purchase. The nature of these purchases can range from the casual to the more considered where, for example, gift confectionery is being considered.

### ***Comparison of marks***

79) For ease of reference, the respective marks are:

| Lucasfilm's marks | Mr Ahmad's mark |
|-------------------|-----------------|
| DROID             | JELLYDROIDS     |
| and               |                 |
| DROIDS            |                 |

80) When assessing the extent of similarity between the respective trade marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23).

81) Both of Lucasfilm's marks consist of single words, namely DROID and the plural of the same. Mr Ahmad's mark consists of two words JELLY and DROIDS conjoined. Both of these words share equal dominance within the mark with both being similar in length. From an aural perspective, Lucasfilm's marks are both pronounced as a single syllable DR-OY-D or its plural equivalent. Mr Ahmad's mark is pronounced as the three syllables JELL-EE-DR-OY-DS. Clearly, the respective marks share some similarity in that the last syllable of Mr Ahmad's mark is identical to the plural version of Lucasfilm's mark (and also virtually identical to the singular version). However, that is the extent of the aural similarity. Mr Ahmad's mark additionally has the two syllable word JELLY at the start of its mark and is a point of aural difference between the marks. Taking account of these similarities and differences, I find that the respective marks share a reasonably high level of aural similarity.

82) From a visual perspective, Lucasfilm's marks are seen to consist of a five or six letter word. The second part of Mr Ahmad's mark consists of the same six letter word and as such, this provides an element of similarity between the marks. Mr Ahmad's mark, by virtue of including the word JELLY conjoined to the word DROIDS, appears noticeably longer than Lucasfilm's marks. This provides a point of difference between the marks. Taking this and the other factors into account, I find that the respective marks share a reasonably high level of visual similarity.

83) Finally, in respect of the conceptual similarity (or otherwise) between the respective marks, Mr Anderman in his witness statement contends that as Mr Ahmad's specification of goods includes the term *jellies* then the first part of his mark will be seen as descriptive and will lead the consumer to focus upon the second element DROIDS as distinctive part of name. Countering this point, Mr Ahmad points to the fact that the Oxford English Dictionary records that the word DROID means a robot in science fiction and is therefore a descriptive term. However, it is established that it is not appropriate to take account of what may be a low degree of distinctiveness of the earlier mark when assessing similarity of the marks (see the judgment of the GC in *Société des produits Nestlé SA v*

*Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), T-5/08 to T-7/08).*

84) Having acknowledged this, I must consider the level of conceptual similarity. Lucasfilm's contention that the word DROIDS in the mark JELLYDROIDS is the distinctive element has some force. Taking account the dictionary meanings identified by Mr Anderman (see paragraph 40), the word JELLY is merely descriptive of goods that may have the consistency of jelly. Such a description may apply to both Mr Ahmad's Class 28 and Class 30 goods. As I have already said, I must assume the word DROID has the minimum level of distinctive character, it is nonetheless highly suggestive of goods that are in the form of robots. The comparison must be made by examining each of the marks as a whole (*Medion*). As such, the conceptual identity associated with Mr Ahmad's mark, when viewed as a whole, is one of suggesting a robot displaying jelly-like characteristics. In respect of Lucasfilm's marks, the words DROID or DROIDS alone, is highly suggestive of goods in the form of robots. Taking all of these points together, I conclude that the respective marks share a reasonably high to high level of conceptual similarity.

85) I have found that the respective marks share a reasonably high level of aural and visual similarity and a reasonably high to high level of conceptual similarity. These all combine to give the marks a reasonably high level of overall similarity.

#### ***Distinctive character of the earlier trade mark***

86) I have to consider whether Lucasfilm's marks have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. There is a dispute between the parties as to the significance and meaning of the word DROID, and I have concluded that it may have two distinct meanings, one associated with Lucasfilm and the *Star Wars* films, the other as a description for a robot. In light of this, the level of inherent distinctive character that the word enjoys is at the lower end of what is sufficient distinctiveness to justify registration.

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

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those

marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

88) The use of the marks by Lucasfilm is as a component of a secondary or even tertiary mark. The primary and secondary marks are *Star Wars* and the name of the licensee, such as *Lego* or *Hasbro*. Whilst it is clear from the evidence that the *Star Wars* mark enjoys a significant reputation in respect of the film series, the evidence fails to demonstrate that the marks DROID and DROIDS, as used, benefits from such a reputation. Use of the mark does not necessarily equate to the existence of a reputation. Whilst there is use, as detailed above, I bear in mind the potential for some of the uses of the mark to be perceived as merely descriptive. And there is implicit acknowledgement of this potential when, in this witness statement, Mr Anderman cites actions taken by Lucasfilm “to prevent [the] marks from becoming generic”. Taking all of this into account, it is not clear to me that the use shown is sufficient to demonstrate that the terms DROID and DROIDS enjoy any reputation, as trade marks, that will result in an enhanced distinctive character. As such, I conclude that the low level of distinctive character of Lucasfilm’s marks is not enhanced through use.

### ***State of the register evidence***

89) Mr Ahmad, in his witness statement, states that there are a number of other registered marks and applications “comprising the element” DROIDS, but he only refers to one specifically, namely CTM 4273942 PARADROID. He suggests that the existence of these shows that Lucasfilm cannot have an exclusive right in all marks that include the element DROIDS. I note this argument but I am mindful of the judgment of Jacob J in *British Sugar* [1996] R.P.C. 281 at 305 where he stated:

“Both sides invited 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 enquiry 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. MADAME Trade Mark* and the same must be true under the 1994 Act. I disregard the state of the register evidence.”

As such, I do not intend to lend weight to this line of argument.

### ***Likelihood of confusion***

90) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). There are a number of cases that comment on the effect of a low level of distinctive character of an earlier mark when considering likelihood of confusion. I note the recent comments of the GC in *mPAY24 GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-557/08*:

“42. As the applicant has rightly stated, although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion (see, by analogy, Case C-39/97 Canon [1998] ECR I-5507, paragraph 24), it is only one factor among others to be included in that assessment. Thus, even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered (see, to that effect, Case T-112/03 L’Oréal v OHIM – Revlon (FLEXI AIR) [2005] ECR II-949, paragraph 61).

43 The finding of a weak distinctive character for the earlier trade mark does not prevent a finding that there is a likelihood of confusion (see Case T-134/06 Xentral v OHIM – Pages jaunes (PAGESJAUNES.COM) [2007] ECR II-5213, paragraph 70 and the case-law cited) with the trade mark applied for, even though the goods and services at issue or the signs concerned are not identical. The importance of taking into account the distinctive character of the earlier mark may vary according to the degree of similarity found between the goods and services concerned and the signs at issue.”

91) I am also mindful of the following comments of Daniel Alexander QC in *Digipos Store Solutions Group Limited v Digi International Inc.* [2008] EWHC 3371 (Ch):

“42. ... A weak mark is, in practice, likely to have a reduced scope because there is a lesser likelihood that other marks will be confused with it, if all that the respective marks have in common is the descriptive element. That, in turn, is because, as a matter of fact, the common element would not be thought by the average consumer to signal that the goods in relation to which the respective marks are used come from the same trade source...”

43. ..., although the lesser capacity to distinguish (the “weakness”) of an earlier mark or element of the earlier mark should be taken into account in the global assessment, weakness of the earlier mark is not conclusive of whether there is likelihood of confusion. It is one factor which goes into the global assessment. In some cases, an earlier mark may be descriptive in whole or in part but nevertheless there may be a likelihood of confusion (*L’Oreal*)”

92) In summary, I must take account of the low level of distinctive character of Lucasfilm’s marks, but that this is only one of the factors to consider in the global assessment. I have found that the respective marks share a reasonably high level of similarity and that there is a range of attention paid during the purchasing act in respect of the relevant goods. Whilst Lucasfilm argues that it coined the term DROID, there is also evidence that the term is understood as, on many occasions, having a descriptive meaning. However, where the respective goods are identical, namely *toys, models or figures*, the relevant consumer, upon encountering Mr Ahmad’s mark may assume that the JELLY element of his mark is merely indicating a product that is jelly-like in character or feel. In these circumstances, and as Lucasfilm argue, the relevant consumer will perceive the DROIDS element as indicating the trade origin and as this element is identical to Lucasfilm’s mark, the consumer may assume there is some trade link to its goods. Therefore, taking all factors into account and on balance, I find that there is a likelihood of confusion in respect of *toys, playthings, toy models and figures* covered by Mr Ahmad’s application.

93) In respect to the remaining Class 28 goods, namely *games including electronic games; puzzles; playing cards; hand held computer games* it is less obvious how JELLY will be perceived as describing a characteristic of these goods. In these circumstances, the trade origin of Mr Ahmad’s mark will be perceived as being identified by the mark, as a whole. This combined with the fact that the word DROIDS may, in such circumstances, be perceived as purely a descriptor (in this case, of the subject matter of the games or puzzles) rather than an indicator of origin is, on balance, sufficient to prevent any likelihood of confusion with Lucasfilm’s marks.

94) Finally, I must consider the likelihood of confusion in respect to Mr Ahmad’s Class 30 goods. In respect of confectionary, sweets; jellies, these all describe a type of confection made from a gelatinous substance or is a term that can include

such confections. Therefore, for these goods, the word JELLY may serve to describe a characteristic of the goods. Accepting this, the issue in respect of these goods, can be “boiled down” to whether the relevant consumer will perceive the DROIDS element of the mark as a reference to Lucasfilm’s goods or a description of robot-like goods more generally. Lucasfilm has done much with its evidence in an attempt to persuade me that confectionary is very similar to toys, however, I have nonetheless found that if there is any similarity it is only very low. Even recognising that the purchasing process may not involve a particularly considered approach, taking all the relevant factors into account, I find that there is no likelihood of confusion in respect to these goods as, in many circumstances, a perceived descriptive meaning of the word DROIDS will be in the minds of the consumer. There will, therefore, be no direct confusion, where the relevant consumer believes that the two marks are the same, or indirect confusion where the consumer believes that the goods provided under the respective marks originate from the same or linked undertaking.

95) In summary, Lucasfilm is successful insofar as its grounds of opposition based upon Section 5(2)(b) of the Act relate to Mr Ahmad’s *toys, playthings, toy models and figures*, but that it fails in respect of all other of Mr Ahmad’s goods.

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

96) I turn to consider the ground for opposition under Section 5(3) of the Act which reads as follows:

“5.(3) A trade mark which –

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

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 or international trade mark (EC), 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.”

97) The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (CHEVY)* [1999] ETMR 122 and [2000] RPC 572, *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10, *Premier Brands UK Limited v Typhoon Europe Limited (TYPHOON)* [2000] FSR 767, *Daimler Chrysler v Alavi (MERC)* [2001] RPC 42, *C.A. Sheimer (M) Sdn Bhd's TM Application (VISA)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (LOADED)* BL O/455/00, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7, *Davidoff & Cie SA v Gofkid Ltd (DAVIDOFF)* [2003] ETMR 42, *Intel Corporation Inc. v CPM United Kingdom Ltd (INTEL)* [2009] RPC

15, *L'Oreal v Bellure* [2010] RPC 1 and *Whirlpool Corp v Kenwood Limited* [2010] RPC 2.

98) The applicable legal principles arising from these cases are as follows:

- a) 'Reputation' for the purposes of Section 5(3) means that the earlier mark is known by a significant part of the public concerned with the products or services covered by that mark (paragraph 26 of the ECJ's judgment in *CHEVY*).
- b) Under this provision the similarity between the marks does not have to be such as to give rise to a likelihood of confusion between them; the provision may be invoked where there is sufficient similarity to cause the relevant public to establish a link between the earlier mark and the later mark or sign (*Adidas Salomon v Fitnessworld*, paragraphs 29-30).
- c) Whether there is a link, within the meaning of *Adidas-Salomon* and *Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case (*INTEL*).
- d) The fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link between the conflicting marks, within the meaning of *Adidas-Salomon* and *Adidas Benelux*. (*INTEL*)
- e) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (per Neuberger J. in *Premier Brands*, and the ECJ in *CHEVY*, paragraph 30).
- f) Whether use of the later mark takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark, must be assessed globally, taking into account all factors relevant to the circumstances of the case (*INTEL*).
- g) Unfair advantage is taken of the distinctive character or the repute of the earlier trade mark where there is clear exploitation and free-riding on the coat-tails of a famous mark or an attempt to trade upon its reputation (*Spa Monopole v OHIM*).
- h) The use of the later mark may be detrimental to the distinctive character of the earlier mark with a reputation even if that mark is not unique; a first use of the later mark may suffice to be detrimental to the distinctive character of the earlier mark; proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark

requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*INTEL*).

i) Taking unfair advantage of the distinctive character or repute of a mark relates not to detriment caused to the earlier mark but to the advantage taken by the third party. Such an advantage may be unfair even where the use is not detrimental to the distinctive character or to the repute of the mark (*L'Oreal v Bellure*). It is not sufficient to show that an advantage has been obtained. There must be an added factor of some kind for that advantage to be categorised as unfair (*Whirlpool Corp v Kenwood Limited*).

### **Reputation**

99) From the ECJ's comments in *CHEVY* it is known that for a reputation to exist, the relevant marks must be known by a significant part of the public concerned and that particularly important considerations are the market share held by the marks, the intensity, geographical extent and duration of use and the level of promotion undertaken. Lucasfilm claims a reputation in respect to all its Class 28 goods, however, I have found earlier that use has only been demonstrated in respect of *toys and kits of parts for making toy models*.

100) Lucasfilm's evidence illustrates sales of toys, bearing the marks DROID and DROIDS, totalling "more than 400,000... in the UK between the years 1999 – 2007". However, this evidence also illustrates that marks DROID or DROIDS are used as parts of secondary or even tertiary marks after the mark *Star Wars* and the name of the licensee such as *Lego*. Such use combined with the low level of distinctive character in the term DROID leads me to conclude that only *Star Wars* aficionados will have been educated to recognise the mark DROID or DROIDS as being highly distinctive of Lucasfilm's goods. But I must consider the perception of "a significant part of the public". In this case, the marks will be perceived as describing a robotic type character and not as identifying any one trade source. It is established that for a reputation to exist, use must be as a trade mark (see the GC's comments in *Eugenia Montero Padilla v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-255/08 paragraphs 54 and 55, which were made in the context of considering if a mark was well known within the context of Article 8(2)(c) of the Community Trade Mark Regulation, but which are applicable here also).

101) Taking these factors into account, I conclude that as the mark will not be known as a trade mark by a significant part of the public and therefore Lucasfilm has failed to demonstrate that its marks benefit from a reputation. In light of this finding, it is not necessary to continue and consider the existence of any link or possible heads of damage.

102) The opposition based upon Section 5(3) of the Act is therefore dismissed.

## **COSTS**

103) At the hearing Mr Elsworth requested an award of costs in Mr Ahmad's favour including any costs carried over from an interlocutory hearing held earlier in the proceedings. He claimed that that hearing would not have been necessary if Lucasfilm had conducted itself properly in requesting its extensions of time and by way of support for his position, referred me to Registry decision BL O/304/02 *Club Nation*. Dr James countered this argument by pointing out that at the interlocutory hearing, the hearing officer concluded "[t]he parties' respective positions on costs were evenly balanced. I therefore inform the parties that my decision was not to make a costs award". However, I note that the hearing officer went on to say "[i]nstead, this will be carried over to form part of the consideration of costs by the hearing officer if the opposition action proceeds to a substantive hearing". As such, I do not necessarily understand the hearing officer as being prescriptive regarding costs, but rather leaves it to my discretion. That said, having reviewed the papers, I agree with the earlier hearing officer that the positions were evenly balanced and as such, in respect to the interlocutory hearing, I decline to make an award of costs.

104) In respect of this substantive hearing, both parties have achieved a measure of success and, once again, I find it appropriate that each party bears its own costs and I also decline to make an award in respect of this element of the proceedings.

**Dated this 23 day of September 2010**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**