

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2154505
BY PACLINC (EUROPE) LIMITED
TO REGISTER A TRADE MARK
PacLinc
IN CLASSES 35

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 48805
BY LINPAC GROUP LIMITED

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10 **DECISION**

BACKGROUND

15 On 24 December 1997, PacLinc (Europe) Ltd of “Scotts”, High Street, Whittlesford, Cambridge, CB2 4LJ applied under the Trade Marks Act 1994 for registration of the trade mark **PacLinc** in respect of the following goods in Class 35:

20 “Advisory and representation services within the packaging industry.”

On the 21 July 1998 LinPac Group Ltd filed notice of opposition to the application. The grounds of opposition are in summary:

25 i) that the opponents are the registered proprietors of the twelve trade marks (listed at Annex A). The opponents have used the trade marks’ LINPAC and LINPAC LOGO extensively in the UK in relation to the goods for which the trade marks are registered.

30 ii) The trade mark applied for is devoid of any distinctive character and/or consists exclusively of signs or indications which may serve in the trade to designate the quality or other characteristics of the services concerned and so offends against Section 3(1) of the Trade Marks Act 1994.

35 iii) In view of the opponents use of and reputation in the trade marks LINPAC and LINPAC LOGO the application offends against Section 3(6) of the Trade Marks Act 1994.

40 iv) The applicants’ mark is similar to the opponents’ registered marks and is for services identical or similar to the goods for which the opponents’ marks are registered. There exists a likelihood of confusion on the part of the public and a likelihood of association with the opponents’ trade marks. It therefore contravenes Section 5(2).

45 v) The applicants’ mark is similar to the opponents’ trade marks and is to be registered for services which are not dissimilar to the goods for which certain of the opponents’ marks are registered for, and therefore offends against Section 5(3).

vi) Registration of the trade mark applied for would be contrary to the provisions of section 5(4) of the Act in that use of the trade mark applied for is liable to be prevented by any rule of law, in particular the law of passing off, protecting the trade marks' LINPAC and LINPAC LOGO of the opponent.

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vii) Registration or use of the trade mark applied for would obstruct or prejudice the legitimate conduct of the opponents' business.

10 The opponents further requested that the Registrar refuse application number 2016569 in the exercise of his discretion. However, under the Trade Marks Act 1994 the Registrar does not have a discretion to refuse an application as he did under the old law. An application can only be refused if it fails to comply with the requirements of the Act and Rules in one or more respects.

15 The applicants filed a counterstatement denying all the grounds of opposition, other than agreeing that the opponents are the registered proprietors of the trade marks as claimed. They also claimed that the mark applied for has distinctive spelling which is not descriptive of the consultancy activities carried out. They also stated that there are significant differences between the marks in terms of spelling, and the Classes for which the marks are to be registered. Both sides asked for an award of costs. Only the opponents filed evidence and neither party wished to be heard in this
20 matter. My decision will therefore be based on the pleadings and the evidence filed.

25 OPPONENTS' EVIDENCE

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This takes the form of a statutory declaration by Mr Andrew Tyler Smith, dated 13 November 1998, who is the financial director of LINPAC Group Ltd, the opponents in these proceedings.

30 Mr Smith provides a brief history of the company, explaining how the group came into being and the various changes of names before the adoption of LINPAC Group Ltd in July 1987. He states that "LINPAC Group Ltd is the parent company of numerous subsidiary companies based both in the UK and overseas, many of which include the name Linpac as part of their company name." An extract from of the annual report and accounts for 1997 (exhibit ATS2) gives details of the various subsidiary companies, as does the corporate brochure at exhibit ATS3. In particular Mr
35 Smith draws attention to the activities of LINPAC Containers, LINPAC PLASTICS, LINPAC Mouldings and LINPAC Metal Packaging, all of whom he claims are active within the packaging industry and offer a wide range of packaging products and services. These activities are illustrated in Exhibit ATS3 and show that the group is engaged in providing packaging, packaging machines and also advise clients on types of packaging, printing etc. The booklet states:
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"LINPAC offers its extensive design skills and wide processing experience as a service to customers in the production and marketing of their products. In this way, the benefits of the expertise gained within a major packaging group, and the close control of quality that is established throughout the manufacturing operations, is made available to other
45 industrialists".

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Mr Smith states that:

5 “The trade marks’ LINPAC and LINPAC LOGO are widely used by my company and by the operating divisions both as trade marks in relation to the goods and services offered and as part of the names of the operating divisions and of the individual subsidiary companies to such an extent that the trade marks are an integral part of the reputation and goodwill established by my company within the packaging industry throughout the world.”

10 He also provides sales figures for his company:

Year	Turnover £ million
1987	406.7
1988	468.3
1989	530.2
15 1990	504.8
1991	532.3
1992	592.8
1993	587.0
1994	667.2
20 1995	862.5
1996	822.7
1997	864.9

25 Copies of the annual report and accounts for the years 1987 - 1997 are provided at exhibit ATS4.

Mr Smith claims that:

30 “Because the trade marks’ LINPAC and LINPAC LOGO are an integral part of the business activities of my company and because the LINPAC mark is part of the company name of my company and of many of the subsidiary companies, it is fair to say that the substantial majority of the total sales turnover of my company relates to and is associated with the LINPAC and LINPAC LOGO trade marks.”

35 He also claims that the opponents are one of the largest privately owned companies in the UK and that the trade marks, LINPAC and LINPAC LOGO are widely recognised and respected internationally but particularly in the UK where the opponents are based.

40 Mr Smith claims that, in addition to the range of packaging products (as shown in exhibit ATS3) his company also offers:

5 “An extensive advisory service in relation to the types of packaging offered. For example, my company offers advice to customers in relation to the types of packaging products available, the types of packaging products which are the most appropriate to the products of the customer, machinery installations for the packaging of products and also specific areas such as legislative requirements relating to packaging, new product development, barcode printing and supply chain management. The relevant pages of the corporate brochure are pages 12 to 39. Exhibit ATS5 hereto comprises a company brochure produced by LINPAC Mouldings Ltd and pages 9 and 16 of the brochure refer specifically to the type of advisory services offered by my company and by the operating divisions.”

10 Mr Smith states that the opponents are concerned that registration of the mark applied for will cause confusion within the packaging industry because the mark applied for is “confusingly similar” with the opponents’ marks. He claims that the applicants’ mark is a reversal of the opponents’ marks with the addition of the letter ‘c’. The letter ‘c’ he claims is not particularly prominent as part of the PacLinc mark so that “visually and phonetically the mark maybe confused with the LINPAC and LINPAC LOGO marks.” Mr Smith states that PacLinc would be regarded as associated with the opponents. He points out that the opponents’ LINPAC LOGO mark the LIN part is directly above the PAC part so the mark is seen as consisting of two elements.

20 Mr Smith also states his view that customers within the packaging industry may well consider the applicants to be another subsidiary of the opponents. He further claims that the goods and services offered by the opponents are associated directly with the services of the applicants.

25 Finally, Mr Smith comments that whilst the opponents currently operate as LINPAC, for a number of years in the 1980's the opponents used the style LinPac, this is illustrated in the company reports at exhibit ATS4. The applicants’ mark has a capital ‘P’ and ‘L’ and this Mr Smith believes may well be confused with the opponents previous use of LINPAC as LinPac.

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

30 DECISION

I first consider the ground of opposition under Section 3(1)(a) which is as follows:

35 *3 (1) The following shall not be registered -*

(a) signs which do not satisfy the requirements of section 1(1),

40 The opponents have offered no evidence as to why the mark cannot function as a trade mark. I do not think that the mark PacLinc is so descriptive that I can say now that the applicants will never be able to educate the public to regard the words as a trade mark denoting only their goods or services. The opposition under Section 3(1)(a) therefore fails.

45 I next consider the ground of opposition under Section 3(1)(b) & (c)

(b) trade marks which are devoid of any distinctive character,

5 (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

In *British Sugar Plc v James Robertson and Sons Limited* (TREAT) 1996 RPC 281, Jacob J. provided some guidance on the meaning of Section 3(1)(b), he said -

10 “Next is “Treat” within Section 3(1)(b). What does *devoid of any distinctive* character mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark? A meaningless word or a word inappropriate for the goods concerned (“North Pole” for bananas) can clearly do. But a
15 common laudatory word such as “Treat” is, absent use and recognition as a trade mark, in itself (I hesitate to borrow the word *inherently* from the old Act but the idea is much the same) devoid of any distinctive character.”

20 The mark in question is PacLinc. Section 3(1)(c) excludes from registration “signs or indications which may serve, **in trade**, to designate” characteristics of the goods or services (emphasis added). If the word PacLinc is a sign which is likely to be used honestly, in trade, to describe characteristics of the goods or services at issue, the sign is excluded from registration by Section 3(1)(c), whether or not such use is correct from an academic viewpoint. Words excluded from registration by Section 3(1)(c) will also be excluded by Section 3(1)(b).
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 The opponents have not put forward evidence to show that the mark applied for is used by others in the trade as a description for packaging goods or services. In my view the word PacLinc is not an apt name for packaging services. I consider that the public would perceive such a word as a distinctive trade mark when used for packaging services.
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 The opposition under Section 3(1)(b) &(c) of the Act fails.

I next consider the ground of opposition under Section 3(6) which is as follows:

35 “3 (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

40 The Act does not define the term bad faith; leaving it to the Tribunal and the Court to determine whether an application was made in bad faith based upon the circumstances of a particular case. The Notes on Sections, published by the Patent Office, and based upon the Notes on Clauses provided to Parliament during the passage of the Trade Marks Bill in relation to Section 3(6) provides examples of where bad faith might be found, these are:

45 (I) where the applicant had no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application.

 (ii) where the applicant was aware that someone else intends to use and / or register the

mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom.

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(iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of a personal name or reputation - these remain unprotected under English Law, but the nexus between unregistrability and the name of a well-known person is that of bad faith in which the application is made.)

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In my view there is an onus on the opponents when basing a ground of opposition under Section 3(6) on point (ii) above to demonstrate that the applicants are seeking to register a trade mark which it knows belongs to another. An allegation that the applicants should have been aware of the earlier trade mark, which the opponents consider similar to the applicants' trade mark in suit, is not sufficient to sustain an objection to registration under this head. The applicants have denied the allegation. In the absence of any evidence that the applicants made their application in bad faith this ground of opposition is bound to fail. The onus is on the opponent under Section 3(6). That onus has not been discharged and this ground of opposition is therefore dismissed.

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Next, I turn to the ground of opposition under Section 5(2)(b) which is as follows:

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

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(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 mark is protected,

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

I have to determine whether the marks are so similar that there exists a likelihood of confusion on the part of the relevant public. In deciding whether the two marks are similar I rely on the decision of the Court of Justice of the European Communities (ECJ) in the *Sabel v Puma* case C251/ 95 - ETMR [1998] 1-84. In that case the court stated that:

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"Article 4(1)(b) of the directive does not apply where there is no likelihood of confusion on the part of the public. In that respect, it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion 'depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified'. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

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Global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind,

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5 *in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - “there exists a likelihood of confusion on the part of the public” - shows that the perception of the marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.*

10 *In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public.”*

15 I also have regard to the approach adopted by the European Court of Justice in Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc. (case C-39/97) (ETMR 1999 P.1) which also dealt with the interpretation of Article 4(1)(b) of the Directive. The Court in considering the relationship between the nature of the trade mark and the similarity of the goods stated:

20 *“A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth*
25 *recital of the preamble to the directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.”*

30 The opponents rely upon twelve registrations of trade marks in their name in which the dominant feature is the word LINPAC. The logo device which is included in six of the marks consists of a large rectangle split into two rows of three equal size squares. Each square containing a circle, and each circle having within it one of the letters spelling out the name LINPAC. In my view the
35 device will not detract from the dominant feature which is the name of the opponents. The opponents’ strongest case is therefore the mark LINPAC (solus).

40 The opponents’ marks are registered for goods in Classes 6,7,12,16, 20 & 21 (full specification given at annex A). Whilst the applicants have applied for registration in Class 35 for “Advisory and representation services within the packaging industry.” Clearly the specifications of the two parties are not in the same class and the applicants are seeking registration for services whereas the opponents are registered for goods. However, where the owner of the earlier trade mark has
45 registrations for packaging materials and has shown that he has a substantial business in such goods, the public are likely to be susceptible to the suggestion that the proprietor of the earlier mark for goods also offers related services of an advisory nature. The fact that the opponents in fact does provide such a service confirms this assumption to be realistic. In my opinion the goods of the opponents in Classes 6,7,16,20 & 21 are similar enough for an opposition under Section

5(2) to be considered. The opponents' goods under Class 12 are clearly dissimilar to the services offered by the applicants.

I turn therefore to consider whether taking into account the fact that the services covered by the application are similar to the goods of the opponents, the trade marks themselves are similar.

Visually the two marks have common elements in that the applicants' mark contains all of the letters of the opponents' mark. However, the order in which the letters are used is different, and the applicants' mark has an additional 'c'. The opponents claim that the applicants' mark is simply a reversal of the two halves of their mark. As the opponents' mark is registered in block capitals, I do not accept that it will be seen as having two halves. The applicants' mark uses both lower and upper cases and implies the conjoining of two words. In my opinion the marks therefore convey different images.

Phonetically, each mark has two syllables. The opponents' mark being LIN as in link, and PAC as in packaging. Whilst the applicants' mark is PAC as in packaging and LINC as in link. The opponents have argued that this reversal of the syllables means that the relevant public will assume that the companies are connected. However, in such short words differences assume greater significance, particularly when at the beginning of the mark. It is accepted that the public attributes greater importance to the beginning of a word in identifying a sign than it does to the following components of the word. Even allowing for imperfect recollection it is my view that the marks are unlikely to be confused aurally.

Neither mark has a dictionary meaning. The opponents' mark does not convey a conceptual image, whilst the applicants' mark could be said to tenuously imply that they offer a link with packaging.

The opponents have provided evidence of their turnover during the years 1987 - 1997 during which time they have an average turnover of £621million. This figure relates to world wide turnover and it is not clear what percentage of this relates to the UK. There was no indication in the evidence filed of market share in the UK. However, I am prepared to accept the opponents' claims to enjoy a considerable reputation in the UK as this was not refuted by the applicants even though such claims formed part of the Statement of Grounds of Opposition to which the applicants replied.

The opponents' strongest case is that the public may assume that the applicant's mark identifies services provided by the opponents in relation to the goods in Classes 6,7,16,20 & 21. However, considering the overall impression of the marks it is clear that the differences, visual and aural are sufficient to ensure that there is no likelihood of confusion. The opposition under Section 5(2) fails.

I next turn to the ground of opposition under Section 5(3) which is as follows:

5 (3) A trade mark which -

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

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

5 *shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.*

10 I have already decided that the marks are not similar when considering Section 5(2). Therefore the opposition under Section 5(3) fails.

Finally, I turn to the ground of opposition under Section 5(4) which states:

15 *“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -*

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

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

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

In deciding whether the mark in question “PacLinc” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

30 *“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.*

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

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

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the

market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

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

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

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

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

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

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

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

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

10 Whilst I have accepted that, at the relevant date, the opponents’ may have had goodwill in the market, they must in my view fail on the second leg of the above test as there can be no misrepresentation in the light of my views on the respective marks. It follows also that there will be no damage arising from the applicants’ use of their mark. I therefore find that the opposition fails under Section 5(4)(a).

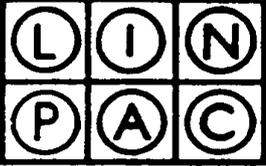
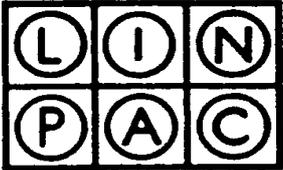
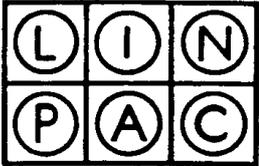
15 The opposition having failed the applicants are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £235

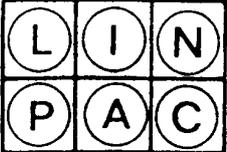
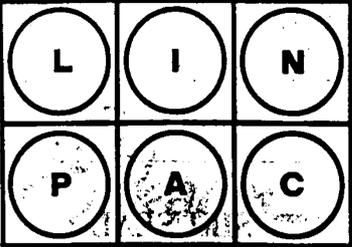
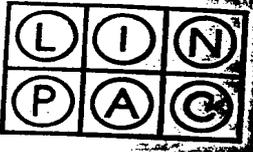
Dated this 7 day of October 1999

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George W Salthouse
For the Registrar
The Comptroller General

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	Trade Mark	Date Registered	Number	Class	Specification
5	LINPAC	25.2.81	1149483	6	Closures included in Class 6
	LINPAC	25.2.81	1149484	7	Packaging and wrapping machines; carton erectors (machines); parts and fittings included in Class 7 for all the aforesaid goods
	LINPAC	25.2.81	1149485	20	Closures included in Class 20 made of plastics materials
	LINPAC	8.8.95	2029700	12	Parts and fittings for motor vehicles
	LINPAC	28.8.59	794907	16	Cartons, containers and packaging materials, all included in Class 16; and printed matter
10	LINPAC	28.4.70	958849	21	Containers included in Class 21 made from plastics, articles in Class 21 made from plastics, for use in packaging
15		25.2.81	1149486	6	Closures included in Class 6
		25.2.81	1149487	7	Packaging and wrapping machines; carton erectors (machines); parts and fittings included in Class 7 for all the aforesaid goods
20		25.2.81	1149488	20	Closures included in Class 20 made of plastics material

	8.8.95	2029703	12	Parts and fittings for motor vehicles
	28.8.59	794908	16	Cartons, containers and packaging materials, all included in Class 16; and printed matter
	28.4.70	958852	21	Containers included in Class 21 made from plastics; articles included in Class 21 made from plastics, for use in packaging

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