

O-366-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 734351
BY DEUTSCHE TELECOM AG
TO REGISTER A TRADE MARK IN CLASSES 9, 16, 35, 38 & 42**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
No. 70771 BY APPLE COMPUTER INC**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 734351
By Deutsche Telekom AG to register a Trade Mark in
Classes 9, 16, 35, 38 & 42**

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**IN THE MATTER OF Opposition No. thereto under
No. 70771 by Apple Computer Inc**

BACKGROUND

1. On 14 April 2000 Deutsche Telekom AG applied to protect the trade mark Mac Mobile in Classes 9, 16, 35, 38 and 42 of the register under the provisions of the Madrid Protocol on the basis of registration in Germany. An International Priority Date was claimed from 14 October 1999. Protection was sought in relation to the following specifications of goods and services:

Class 09

Electrical and electronic apparatus and instruments; all relating to or adapted for use with telecommunications apparatus and instruments; optical, measuring, signalling, controlling or teaching apparatus and instruments (included in this class); apparatus for recording, transmission, processing and reproduction of sound images or data; machine run data carriers; automatic vending machines and mechanism for coin operated apparatus; data processing equipment and computers.

Class 16

Printer matter, especially stamped and/or printed cards of cardboard or plastic; instruction and teaching material (except apparatus); stationary (except furniture).

Class 35

Advertising and business management, collection and provision of data.

Class 38

Telecommunication, operation and rental of equipment for telecommunication, especially for broadcasting and television; collection and provision of news and information.

Class 42

Computer programming services; data base services, namely rental of access time to and operation of a data base; rental services relating to data processing equipment and computers; projecting and planning services relating to equipment for telecommunication.

2. The application was subsequently published in the Trade Marks Journal and on 12 March 2002 Apple Computer Inc filed Notice of Opposition. In summary the Notice set out the following grounds:

- (i) Under Section 5(2)(b) of the Act because the mark applied for is similar to the earlier and well known trade marks set out in Appendix one to this decision, owned by the opponent which cover identical and similar goods and services and there exists a likelihood of confusion on the part of the public;
- (ii) Under Section 5(3) of the Act because the mark applied for is similar to the earlier trade marks owned by the opponent and to the extent that the goods and/or services are not similar, registration of the mark applied for would take unfair advantage of or be detrimental to, the distinctive character or the repute of the opponent's earlier marks;
- (iii) Under Section 5(4)(a) of the Act by virtue of the law of passing off;
- (iv) Under Section 3(6) of the Act as the application was made in bad faith because the applicant was aware or should have been aware of the opponent's reputation in MAC trade marks.

3. On 18 June 2002 the applicant filed a Counterstatement denying the grounds of opposition.

4. Both sides filed evidence and asked for an award of costs in their favour. The matter came to be heard on 22 October 2003 when and the opponent was represented by Mr Jones of Baker & McKenzie. The applicant chose not to attend the hearing but prior to the hearing written submissions were forwarded by the applicant's representatives, Baron & Warren.

Opponent's Evidence

5. The opponent's evidence consists of three witness statements, one each from Victoria Walls, Kevin Saul and Alan Hely.

6. Ms Walls is an associate solicitor at Baker & McKenzie, the opponent's professional representatives in these proceedings.

7. Ms Walls explains that the opponent was incorporated in California, USA on 3 January 1977 and is widely credited with igniting the personal computer revolution in the 1970s with the release of its Apple II computer. She adds that the opponent sold computers in Europe from a very early stage and by the end of 1981 had established

distribution facilities at Slough in the UK with European Sales worth US\$ 59,308.000.

8. Ms Walls states that the opponent first started using MAC as a “nickname” trade mark for its Macintosh brand computer products when they were introduced in 1984 and that the association of the products with the name MAC extends to the provision of services also, both on internet sites and in the after sales services provided. She adds that the considerable goodwill and reputation that the MAC mark had built up leads to the conclusion that the mark is well known and its reputation spills over into other classes of goods and services, whether registered or not.

9. Ms Walls goes on to make a number of submissions relating to the similarity of the mark in suit with the opponent’s registrations. She states that the dominant and distinctive part of the mark in suit is the word MAC and she submits that the marks as a whole are visually, phonetically and conceptually similar and that there is a likelihood of confusion, in particular when the distinctive character and reputation of the opponent’s MAC marks is taken into account.

10. Turning to a comparison of the respective specifications, Ms Walls submits there is similarity between the relevant goods and services.

11. Ms Walls also makes a number of general submissions relating to the opponent’s Section 5(3), Section 5(4)(a) and Section 3(6) grounds.

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

13. Mr Saul sets out the beginnings and development of Apple and its “Macintosh” and MAC computer products and states that the following are core products which Apple Computer Inc currently offers worldwide, branded under its MAC trade marks:

Hardware Products

iMAC – desktop computers;
Power Mac – desktop personal computers;
Power Book – portable computers;
iBook – portable computers.

Software Products

Mac OS – operating system software for “Macintosh” & MAC computers;
Mac OS X – client operating system.

14. Mr Saul states that the opponent manages its worldwide business primarily on a geographical basis and he then goes on to detail the development of “Macintosh” and MAC computer products in a global context.

15. Mr Saul provided information and figures relating to sales and advertising expenditure but none of this provides specific data in relation to UK turnover and advertising.

16. Mr Hely is European Corporate Communications Manager at Apple Computer Europe Inc, a subsidiary of Apple Computer Inc (the opponent). He makes his statement to provide information specific to the UK about use by Apple Computer Inc (Apple) of its MAC trade mark in the UK.

17. Mr Hely refers to the witness statement provided by Mr Saul in these proceedings and asserts that the following information is relevant to the UK and I quote:

“(i) at paragraph 7 of his Witness Statement, Mr Saul states that Apple first started using MAC as a “nickname” trademark for its Macintosh brand computer products when they were introduced in 1984. Although the MAC trade mark itself did not appear on Apple’s product packaging at that time, the MAC trade mark did frequently appear in promotional and advertising material and in third party articles. Attached at Exhibit 2 to Mr Saul’s Witness Statement is a photocopy of an article from Time magazine from February 4, 1985 and a photocopy of a 1987 promotional brochure produced by Apple. These documents were distributed in the United Kingdom and both refer to the MAC brand computer.

(ii) at paragraph 12, Mr Saul refers to the introduction of the Mac OS logo globally in November 1994. This logo clearly refers to MAC as being a trademark. Attached at Exhibit 4 to Mr Saul’s Affidavit is a news release and brochures which were distributed globally. In all of these publications, the MAC portion of this logo is clearly identified separately with the internationally recognised symbol of “TM”, and statements are made in the documents that MAC is a trademark of Apple’s.

(iii) at paragraph 15 Mr Saul refers to a document attached at Exhibit 7 to his Witness Statement which is an extract taken from the internationally distributed Newsweek magazine from August 29, 1994 which discusses the MAC licensing program and references the MAC brand four times. Also attached at Exhibit 7 are specific issues of MacUser and Macworld magazines (which were circulated worldwide) from 1995 which discuss the MAC licensing program and the creation of the MAC and Power Mac product clones.

(iv) at paragraph 17 of his Witness Statement Mr Saul states that, in 1997, Apple officially began labelling each copy of its operating system software as Mac OS. Mr Saul attaches at Exhibit 8 a copy of the manual which was distributed with all copies of the Mac OS 7.6 software sold in countries including, inter alia, the United Kingdom. This manual clearly states on its second page that MAC is a trade mark of Apple’s.

(v) at Exhibit 9 to his Affidavit Mr Saul attaches a sample promotional brochure dated 1999 for the UK in respect of the Mac OS 9 software. This clearly refers to MAC as being a trade mark of Apple’s.

(vi) at paragraph 21 of his Witness Statement Mr Saul states how, in August 1999, Apple continued to introduce more products sold worldwide under its MAC family of marks when it introduced its Power Mac G4 brand desktop

computer. Mr Saul attaches at Exhibit 11 a brochure from 2000 entitled “Power Mac G4 Cube” which was distributed in the UK and which notes that MAC is a trade mark of Apple.

(vii) at paragraph 22 of his Witness Statement Mr Saul states that in August 1998, Apple introduced the first generation iMac brand desktop computer. These all prominently display the iMAC trade mark on product and/or product packaging and accompanying documentation such as manuals and the like, as well as also displaying various other of the MAC family of marks on product packaging and/or accompanying documentation.

(viii) at paragraph 27 Mr Saul states that, since at least as early as 1984, Apple has strongly emphasised promotion of its MAC family of trade marks in connection with its goods and services in the US and worldwide. Mr Saul attaches at Exhibit 15 various publications of international research from 1992-1996 which reference the MAC mark.”

18. Mr Hely now turns to the advertising and promotion of the MAC mark in the UK and attaches to his Witness Statement and marked Annex 1, is a copy of the Consumer Campaign Advertisement Schedule for the Apple Home Solutions Campaign in November 1996. He explains that this is an example of a typical advertising campaign by Apple, and shows the wide variety of United Kingdom publications that MAC advertisements appeared in at that time, ranging through all the broadsheet newspapers to mens’ magazines and womens’ fashion magazines, through to more specific computer related magazines. Mr Hely adds that the “Family”, “Office” and “Studio” advertisements listed in the document attached at Annex 1 are adapted versions of the leaflets attached at Annex 3 to his statement and therefore all three would have identified MAC with the internationally recognised symbol of “TM” in the main body of the text, and statements would have been made in the advertisements that MAC is a trade mark of Apple’s. Mr Hely also attaches at Annex 2 to his statement a copy of the Guardian’s Online Supplement of Thursday 30 October 1997 which features an article on the Apple Expo due to take place in November of the same year and contains a full page advertisement for the new Macintosh OS 8. He adds that the article references the MAC brand computer and the advertisements MAC with the internationally recognised symbol “TM” in the main body of the text and states that MAC is a trade mark of Apple’s.

19. Mr Hely states that Apple also produces a range of leaflets for individual products or campaigns. As an example, he attaches as Annex 3 to his statement a copy of three leaflets about the Macintosh Performa product, dating back to September 1996, “The Family Macintosh”, the Apple Home Office” and “The Apple Creative Studio”. He explains that these were produced specifically for the UK market and all identify MAC with the internationally recognised symbol of “TM” in the main body of the text, and statements are made in the documents that MAC is a trade mark of Apple’s. Mr Hely goes on to state that Apple also produces larger promotional brochures for new products. He attaches as Annex 4 to his statement a copy of the New Macintosh brochure dated September 1997 produced specifically for the UK market and which identifies MAC with the internationally recognised symbol of “TM”.

20. Mr Hely goes on to state that Apple undertakes many different types of promotions in the United Kingdom and examples are set out at Annex 5 to his statement. The first is a “mailshot” which concerns the Macintosh Performa dated November 1996. The mailshot identifies MAC with the internationally recognised symbol of “TM” and states that MAC is a trade mark of Apple’s. Also attached at Annex 5 is an example of a promotional leaflet advertising Apple’s products with linked-in discounts, relating to the New Macintosh from September 1997. Mr Hely explains that the New Macintosh was launched in the UK at Café Royal on 14 August 1997 and he attaches at Annex 5 to his statement a copy of the flyer produced to promote the launch. The identification of MAC within the internationally recognised symbol of “TM” can be seen. Mr Hely also draws attention to Annex 6 to his statement consisting of brochures used to promote Apple’s AirPort (from 2000), PowerBook (from 2000), iMac (from 1998) and Mac OS8 (from 1997) products. These four brochures all contain statements that MAC is a trade mark of Apple’s. Mr Hely adds that the Mac OS8 brochure refers to the MAC mark several times in the main text of the brochure and that these brochures were produced specifically for the UK market.

21. Next, Mr Hely turns to the UK press and he attaches at Annex 7 to his statement extracts from the following UK computer magazines which refer to the MAC:

- (i) MacFormat from October 1997, which discusses the new PowerMac computers;
- (ii) Internet World from October 1997, which discusses Microsoft’s \$150 million investment in Apple;
- (iii) PC Dealer from 27 August 1997, which discusses Apple’s marketing strategy;
- (iv) What PC? and Software from October 1997, which discusses Microsoft’s \$150 million investment in Apple; and
- (v) Amiga Format from October 1997, which discusses Microsoft’s \$150 million investment in Apple.

22. Mr Hely also attaches at Annex 7 to his statement extracts from the general UK press which refer to the MAC mark, as follows:

- (i) The Guardian from 18 September 1997, which discusses Apple’s view of the clone market;
- (ii) Information Week from 17 September 1997, which discusses Y2K issues; and
- (iii) The Times from 8 January 1998, which discusses the MacWorld trade show.

23. Mr Hely goes on to explain that it is very important for Apple to inform its numerous resellers of its expanding range of new products, so as to enable them to

provide the right solutions for their clients and he draws attention at Annex 8 to his statement to a brochure for sales personnel and resellers dating back to November 1996 titled "PowerBook update" which contains a statement that Mac is a trade mark of Apple Computer, Inc. Mr Hely adds that Apple have also produced a publication entitled POSitive Marketing News, stated as being "the new Apple communication directed at you, the Retailer". At Annex 8 to his statement are issues from September 1995 – September 1996, all of which identify MAC with the internationally recognised symbol of "TM" in their text. Mr Hely draws attention to the September 1995 issues which he states, gives an idea of the wide range of promotional products forming part of the Mac OS merchandising pack, such as mouse mats and window decals, which identify MAC within the internationally recognised symbol of "TM".

24. Mr Hely states that Apple has continually supported educational initiatives in schools and colleges and that teachers and pupils alike find Apple computers very easy to use, and as such would be very familiar with MAC as being a brand of Apple. He explains that Apple produces a wide range of literature for schools, as an example he attaches at Annex 9 to his statement a copy of "Inspiring Education Learning and teaching with computers, the Internet and multimedia", from December 1997, which he states, would have been distributed to all schools in the country. The text refers to the MAC mark at various points and contains a statement that MAC is a trade mark of Apple's. Also attached at Annex 9 is a copy of "Education Interface" from Autumn 1997 which Mr Hely states, would have been sent to colleges, universities and further educational colleges around the country. Again, the text contains use of the MAC mark.

25. As the applicant has filed no evidence this completes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

26. Firstly, I consider the ground based on Section 5(2)(b) of the Act, which reads as follows:

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

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

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

27. An earlier right is defined in Section 6(1), which states:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known mark.”

28. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v. Puma AG*, paragraph 224;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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.* paragraph 27;
- (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*, paragraph 224;
- (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*, paragraph 224;
- (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*, paragraph 17;
- (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*, paragraph 224;

- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v. Puma AG*, paragraph 29;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v. Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, page 33, paragraph 29.

29. The reputation of a trade mark is an element to which importance may be attached in Section 5(2) considerations in that it may enhance the distinctive character of the mark at issue and widen the penumbra of protection awarded to such a mark. The opponent has filed evidence relating to the use and repute of its MAC trade mark in relation to computers and computer apparatus, software and services.

30. The word MAC seems to me to be fully distinctive in relation to the relevant goods and services but I go on to consider whether the evidence filed demonstrates that the mark has acquired a reputation in the UK sufficient to enhance its intrinsic merits.

31. As mentioned at the hearing, the vast bulk of the evidence filed in this opposition relates to figures and documents which are not specific to the UK. While there are a number of exhibits which show that the opponent uses the MAC trade mark (usually with additional matter e.g. MAC OS 8, PowerMac) and there are press articles etc e.g. in "The Guardian online" supplement which refer to "Mac products" in the wider context of Apple Computers, there are nevertheless wide-ranging and glaring deficiencies in the evidence. The evidence submitted provides no figures relating to the monetary value of sales, the number of unit sales, market share, expenditure on advertising and promotion, no details of customers or distributors and no supporting evidence from third parties or the trade.

32. While the opponent had a presence in the UK market place prior to the relevant date for these proceedings, the evidence does not demonstrate a reputation among the relevant public in its earlier cited trade marks. The onus is upon the opponent to prove that its earlier marks enjoy a reputation or public recognition and on the basis of the evidence filed in this case I do not believe the opponent has discharged this onus. In *DUONEBS (BLO/048/01)* a decision of Simon Thorley QC sitting as the Appointed Person, it was said:

"In my judgement I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that the ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.

33. At the hearing, Mr Jones on behalf of the opponent asked me to take judicial notice of the established market position of the registered proprietor in the UK bearing in mind its global, European and UK activities, and also the figures provided in the evidence in relation to its European sales and activities. While the opponent may be a “global player” established in the UK, I do not believe that it necessarily follows that it possesses a reputation in the UK in relation to the trade mark MAC. In my view this proposition is not a matter of common knowledge or notorious fact for which no evidence is necessary (Phipsoo on Evidence 15th ed. Paragraph 2-21) and it constitutes precisely the sort of claim which needs clear support through evidence in proceedings before the Registrar.

34. I conclude that the opponent cannot claim an enhanced distinctive character for its marks. However, even if I am wrong in relation to reputation of the opponent’s marks I would point out that reputation is only one element which forms part of a global consideration under Section 5(2). It was held in *Marca Mode v Adidas AG* [2000] E.T.M.R. 723:

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

35. In essence the test under Section 5(2) is whether there are similarities in marks and goods and/or services which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those differing elements, taking into account the degree of similarity in the goods and/or services, the category of goods and services in question and how they are marketed. Furthermore, in addition to making comparisons which take into account the actual use of the respective marks, I must compare the mark applied for and the opponent’s registrations on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services within the respective specifications.

36. I turn first to a consideration of the respective goods and services covered by the specifications of the mark in suit and the opponent’s earlier registrations, in particular, whether these goods and services are identical or similar.

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

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

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of services;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in particular they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

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

39. My comparisons take into account that the opponent’s registration containing the widest specifications of goods and services is Community Trade Mark Number 729 and the following comparisons are based upon that registration:

APPLICANTS GOODS AND SERVICES	OPPONENTS GOODS AND SERVICES
CLASS 9	
“Electrical and electronic apparatus and instruments; all relating to or adapted for use with telecommunications apparatus and instruments;”	Identical or similar to “electronic communication equipment and instruments; telecommunications apparatus and instruments;”
“Optical, measuring, signalling, controlling or teaching apparatus and instruments;”	Identical or similar to “computers”; “computer display units”; “computer programs and software”; “communications equipment”, “computer peripherals”, “operating systems”, “multimedia products”, “interactive products;”
“Apparatus for recording transmission,	Identical or similar to “electronic

<p>processing and reproduction of sound images or data;”</p>	<p>communication equipment and instruments; “telecommunications apparatus and instruments;” “communications equipment.”</p>
<p>“Machine run data carriers;”</p>	<p>Identical or similar to “communication equipment”; “electronic communications equipment”; “telecommunications equipment;” “telecommunications apparatus and instruments.”</p>
<p>“Automatic vending machines and mechanism for coin operated apparatus;”</p>	<p>Identical or similar to “telecommunications apparatus and instruments” which would include “payphones” which vend (sell) a service when coins are inserted.</p>
<p>“Data processing equipment and computers;”</p>	<p>Identical or similar to “Computers, computer terminals; keyboards, printers, display units, terminals; “electronic communications equipment and apparatus”; “telecommunications apparatus and instruments.”</p>
<p>CLASS 16</p>	
<p>“Printed matter, especially stamped and/or printed cards of cardboard or plastic instruction and teaching material (except apparatus); stationery (except furniture).”</p>	<p>Identical to “printed matter in the field of computers, multimedia products, interactive products and on line services; instructional and teaching materials; magazines; newsletters, periodicals and printed publications; manuals; pamphlets, brochures and catalogues; office requisites; computer disc holders; paper and stationery, desk accessories, telephone and address books, agenda, diaries, calendars, decals and bumper sticks; parts and fittings for all the aforesaid goods.”</p>
<p>CLASS 35</p>	
<p>“Advertising and business managements;”</p>	<p>No similarity with opponent’s goods or services,</p>
<p>“Collection and provision of data.”</p>	<p>No similarity with opponent’s goods or services.</p>

<p>CLASS 38</p> <p>Telecommunication, operation and rental of equipment for telecommunication, especially for broadcasting and television; collection and provision of news and information.</p>	<p>Identical and similar to “telecommunications services”; “rental, hire and leasing of communications apparatus;” “electronic bulletin board services” “electronic transmission of data and messages by electronic transmission.”</p>
<p>CLASS 42</p> <p>“Computer programming services;”</p> <p>“Data base services, namely rental of access time to and operation of a data base; rental services relating to data processing equipment and computers;”</p> <p>“Projecting and planning services relating to equipment for telecommunication.”</p>	<p>Identical to “Computer programming services.”</p> <p>Identical and similar to “leasing access time and providing access to an electronic computer bulletin board; leasing and rental of computers;” “computer time sharing services.”</p> <p>Similar to “computer consultation” and also “telecommunications services” (Class 35) and “telecommunications apparatus and instruments” (Class 9).</p>

40. At the hearing, Mr Jones submitted that the applicant’s Class 35 specification included services (“Advertising and business management) similar to the opponent’s Class 42 services for “Promoting the interests of computer user groups and computer online user services”. He also submitted that the opponent’s “Collection and provision of data” service in Class 35 was similar to services such as “electronic transmission of data and messages” in Class 38 of the opponent’s Community Trade Mark Registration. I am unable to accept these submissions as in my view the applicant’s Class 35 specification comprises highly specialized, dedicated services of the type usually provided by specialist businesses ie advertising agencies and business management consultants and/or dedicated management suppliers and management support specialists, whose marketing would be focused and whose customers would in general be discerning and careful.

41. I now go on to compare the mark in suit with the opponent’s earlier registrations. In making my comparisons I take the view that the opponent’s strongest case rests with their MAC (solus) marks and in particular (by virtue of the range of goods and services specified) European Community Registration Number 729.

42. The mark in suit comprises the two words Mac Mobile which in totality is a highly distinctive mark in relation to the goods or services at issue. MAC is well known as a prefix in surnames of Scottish or Irish Gaelic origin. However, the dictionary word MOBILE has an obvious and direct meaning in relation to goods which are easily transportable and services which are provided either in relation to

such goods or which can be provided via transportable facilities. The word MOBILE accordingly has a direct reference in relation to the relevant goods and services.

43. The respective marks must be compared as a whole and by reference to overall impression but, as recognized in *Sabel v Puma AG* (mentioned earlier in this decision) in any comparison, reference will inevitably be made to the distinctiveness and dominance of individual elements. It is, of course, possible to over-analyse marks and in doing so shift away from the real test which is how marks would be perceived by customers in the normal course and circumstances of trade and I must bear this in mind in my comparisons.

44. I now go to a visual, oral and conceptual comparison of the mark in suit with the opponent's MAC trade marks. The marks differ in that the applicant's mark contains the word MOBILE. However, the marks are similar in that the word MAC is common to both as it comprises the opponent's mark and the first word of the mark in suit. Accordingly, the word MAC is readily apparent to the eye and ear of the customer in both marks, especially as, in a conceptual context, the word MOBILE is an obvious dictionary word likely to have reference to the goods and services at issue. Given this fact it seems to me that the MAC element within the applicant's mark could readily be perceived as a house mark in the market place and in totality the respective marks are closely similar.

45. In my comparisons I am also assisted by the views expressed in *Bulova Accutron* [1969] RPC 102. While that case was decided under the 1938 Act, it seems to me that the following views, expressed at 109-140 by Stamp J, remain relevant today:

“As I have already said, if what had to be considered was a side by side comparison, the additional word would have had a vital significance, but where imperfect recollection is relevant what has to be considered is how far the additional word is significant to prevent imperfect recollection and the resultant confusion. Particularly having regard to the fact that BULOVA is the house name of the applicants and has a significance other than as a trade mark, its addition before the word ACCUTRON does not in my judgement serve to prevent the deception or confusion which would in the view of the Court of Appeal have been caused but for that adoption. As the Assistant Registrar remarks in his decision: “As Bulova and Accutron do not hold together as a phrase or present a wholly different meaning to the separate components, I think that their combination will be taken by many persons on first impression as an indication that the manufacturer of the watches is using two separate trade marks in connection with his products.” I would add that the combination of the two words is likely to be taken by other persons on first impression as an indication that the part of the trade mark which consists of BULOVA is a house name of the marketers of the watches, that the trade mark is ACCUTRON and that they will confuse them with watches marketed under the trade mark ACCURIST simpliciter.”

46. The respective marks share the word MAC (which is likely to be perceived as an indication of origin) and it seems to me that the addition of the word MOBILE to the applicant's mark does not significantly defuse the risk of confusion.

47. In my considerations relating to the global appreciation of a likelihood of confusion I must consider the goods and services at issue and the average customer for the goods. It seems to me that the respective specifications cover a wide range of goods and services which would include low cost goods purchased by the general public eg stationery and video/audio tapes, and also specialized goods and services for business customers. However, in general it seems to me that in the present case I must take the view that the relevant customer would be relatively careful and discerning. While this could mitigate against confusion, it does not follow that there is not a likelihood of confusion and all relevant circumstances must be taken into account.

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

- (i) with the exception of the applicant's Class 35 specification, the respective specifications cover identical and similar goods and services;
- (ii) the respective marks share a dominant, distinctive component and in totality share a close similarity;
- (iii) in all the circumstances the relevant customer is likely to be confused as to the origin of the goods and services and he/she is likely to believe that they came from the same source.

49. In reaching a decision in relation to the likelihood of confusion I have particularly borne in mind the following comments of the European Court of Justice in *Canon*:

“Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from an economically-linked undertaking, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see SABEL, paragraph 16 to 18).”

50. Accordingly, the opposition succeeds under Section 5(b) except in relation to Class 35 of the application where I have found that the applicant's services are not similar to those of the goods and services covered by the opponent's prior registrations.

51. Next I go to the Section 5(3) ground. Section 5(3) of the Act reads 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,

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.”

52. Section 5(3) requires consideration of:

- (i) whether the trade mark opposed is identical with or similar to the earlier trade mark;
- (ii) whether the trade mark opposed is sought to be registered for goods or services which are not similar to those for which the earlier trade mark is protected;
- (iii) whether, and to what extent, the earlier trade mark has a reputation in the United Kingdom;
- (iv) whether the use of the later trade mark is “without due cause”;
- (v) whether the use of the later trade mark:
 - (a) takes unfair advantage of; and/or
 - (b) is detrimental to the distinctive character of the repute of the earlier mark.

53. Earlier in this decision I accepted that the respective marks are similar and that the respective specifications included goods and services which are dissimilar (points (i) and (ii)).

54. Guidance in relation to reputation under Section 5(3) has been set out in *General Motors Corporation v Yplon SA*, [2000] RPC 572, in paragraphs 23 to 27. Paragraph 26 indicates the standard that must be reached:

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

55. This test sets out a high threshold in my view and the onus is upon the opponent to prove that its trade mark enjoys a reputation and public recognition. In the present case there are obvious and glaring deficiencies in the opponent’s evidence on this point – paragraphs 30 to 33 of this decision refer. To sum up, in relation to their trade marks the opponent has not provided specific information relating to UK sales, expenditure on advertising and promotion, market share, customers and distributors and no independent supporting evidence.

56. In light of the above I am unable to find or infer that the opponent had a reputation in the UK at the relevant date, especially taking into account the strict requirements which need to be satisfied under Section 5(3) to expand the parameters of “normal” trade mark protection. The opposition under Section 5(3) of the Act must fail on this basis. However, if in the event I am wrong on this point I go on to

consider whether the opponent is able to make out any of the adverse consequences set out in paragraph 52(v) of this decision (above).

57. The opponent submits that use of the applicant's mark in relation to dissimilar services and goods to those in the opponent's earlier marks will lead to the dilution of the distinctiveness of the opponent's marks through blurring.

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

59. In my view the opponent's use and consequently its reputation is in relation to computers and computer goods and services and it seems to me far from obvious that it would be damaged in any way by or as a result of the applicant's use of their mark on the Class 35 services ie "Advertising and business management, collection and provision of data".

60. At the hearing Mr Jones submitted that the relevant public would believe that the services were provided using the opponent's goods as eg the opponent's goods have repute in relation to their graphic design capabilities which would be a major plus point in producing advertising publications etc. However, I am far from persuaded by this submission as in my view the Class 35 services in question cover discrete, specialist operations with focused markets whose customers are relatively sophisticated. I would add that no evidence has been filed to support the contention that the relevant customer would expect the Class 35 services to emanate from the opponent or incorporate the use of the opponent's goods. The onus lies with the opponent and the onus has not been discharged.

61. The Section 5(3) ground fails.

62. Next, the Section 5(4)(a) ground. Section 5(4)(a) states:

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

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

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

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

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

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

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

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

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective field of activity in which the plaintiff and the defendant carry on business;

- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

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

GOODWILL

66. In my consideration under the Section 5(2) and 5(3) grounds I have criticised the opponent’s evidence relating to the reputation of their MAC trade mark. Nevertheless, it demonstrates that prior to the relevant date the opponent had used the mark in the UK and that the mark was known in the UK in relation to computer goods and services. In my view the activity and recognition shown suffices to provide the opponent with the necessary goodwill to mount a passing off action. As stated in Kerly’s Law of Trade Marks and Trade Name (13th Edition) at paragraph 14-08 on page 420:

“The mark or other indication concerned need not be universally known. A small trader with a limited clientele is as much entitled to protect his brands and business name as any large concern. The overriding consideration, in judging the extent of the reputation, is whether the claimant has built up a goodwill to the point where substantial damage will be caused to it by the acts complained of.”

67. To succeed under this heading the opponent has to show that the relevant public will believe that the Class 35 services provided by the applicant are services of the opponent.

68. I have already compared the applicant’s and opponent’s trade marks and found them to be closely similar. It is well established that in the law of passing off there is no limitation in respect of the parties field of activity. Nevertheless the proximity of an applicant’s field of activity to that of the opponent’ is highly relevant as to whether the acts complained of amount to a misrepresentation.

69. In essence the question I have to address is whether the relevant public seeing the applicant's mark used on "Advertising and business management, collection and provision of data" would be likely to believe the services were being offered by the opponent. In *Harrods v Harrodian School* [1997] RPC 697, Millet L J stated:

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

70. I have no evidence before me on whether the public would associate a business engaged in the supply of computer goods and services with businesses providing "Advertising and business management, collection and provision of data". Furthermore, the opponent has provided no evidence as to whether such businesses are likely to enter common fields of activity or share the same ownership. On the basis of my own knowledge and experience I would venture to say that the respective fields are discrete activities. At any rate it is for an opponent who wishes to claim that they have the characteristics of, or would be recognised as the producer of, an applicant's services to support such a claim with evidence.

71. In the absence of evidence to the contrary I do not consider that the opponent's goodwill will extend to the Class 35 services and in my view the applicant's use of their mark on these services will not amount to a misrepresentation.

72. In the recent case of *South Cone v Jack Bessant, Dominic Greensmith, Kenny Gary Stringer (a partnership)* 16 May 2001, HC 2000 APP 00617, Pumfrey J in considering an appeal from a decision of the Registrar to reject an opposition under Section 5(4)9a) said:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1939 Act (*see *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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

73. I do not consider that the opponent has discharged the onus of showing that the necessary misrepresentation required by the tort of passing off will occur in relation to the Class 35 services specified within the application and the opposition under Section 5(4)(a) fails.

CONCLUSION

74. The opposition has succeeded in relation to Classes 9, 16, 38 and 42 of the application but has failed in relation to Class 35. Accordingly, the application will progress to registration if within 28 days of the expiry of the appeal period the applicant files a Form TM 21 restricting their specification to the Class 35 services applied for. If they fail to file a Form TM 21 restricting their specification the application will be refused in its entirety.

COSTS

75. Both sides have achieved a measure of success but it seems to me that overall the greater share of success rests with the opponent as it has succeeded in its opposition to four of the five classes of goods and services applied for. Accordingly, my order as to costs will reflect the proportion of the opponent's success, bearing in mind that the applicant filed no evidence in these proceedings.

76. I order the applicant to pay the opponent the sum of £1,350. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25th day of November 2003

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General

APPENDIX ONE

NUMBER	MARK	REGISTRATION EFFECTIVE	SPECIFICATION OF GOODS OR SERVICES
UK Registration No 1207970	Mac	26 November 1983	Class 9 - Computers; computer programs; all included in Class 9; but not including computer programs, relating to financial accounting and financial planning.
UK Registration No 2001846	Mac	8 November 1994	Class 9 - Computers; computer programs and software; computer operating systems; computer peripheral apparatus and instruments; cables; connectors; converters; communications apparatus and instruments; voice and data telecommunication apparatus and instruments; adapters and adapter cards for all the aforesaid goods; parts and fittings for all the aforesaid goods.
UK Registration No 1216827	MaC	13 April 1984	Class 16 – Books and printed publications.
UK Registration No 1404275	Mac	24 October 1989	Class 41 - Educational, training and instructional services in computing, data processing and computer programming; publication of printed matter and of instructional and teaching material; arranging and conducting exhibitions and seminars relating to computing, data processing and computer programming; all included in Class 41.
UK Registration No 1404276	Mac	24 October 1989	Class 42 -Consultancy, advisory, design, testing and research services relating to computing; research and development in respect of computer hardware and software; computer time sharing; leasing of access time to computer databases; all included in Class 42.
UK Registration No 1183450	MACPUTER	14 October 1982	Class 9 - Computers; electrical and electronic apparatus and instruments;

			computer programmes; magnetic discs; magnetic wires; punched (encoded) tapes and punched (encoded) cards, all carrying computer data
UK Trade Mark No 1504626	MacX	25 June 1992	Class 9 - Computers; computer programs; parts and fittings for all the aforesaid goods; all included in Class 9; but not including computer programs relating to financial accounting or financial planning.
Community Trade Mark No 729	MAC	1 April 1996	Classes 9, 16, 38, 41 & 42 Class 9 - Computers, computer terminals, keyboards, printers, display units, terminals; modems; disc drives; computer peripherals; communications equipment; facsimile machines, answering machines, telephone-based information retrieval systems; adapters, adapter cards, connectors and drivers; blank computer storage media, computer programs, operating systems, computer hardware, software and firmware; computer memory devices; sound, video and data recordings; cameras; fonts, typefaces, type designs and symbols; chips, discs and tapes bearing or for recording computer programs and software; random access memory, read only memory; solid state memory apparatus; electronic communication equipment and instruments; telecommunications apparatus and instruments; computer and electronic games; related computer equipment for use therewith; multimedia products comprising or for use with any of the aforesaid goods; interactive products comprising or for use with any of the aforesaid goods; parts and fittings for all the aforesaid goods. Class 16 - Printed matter in the field of computers, multimedia products, interactive products and online services;

			<p>instructional and teaching materials; magazines, newsletters, periodicals and printed publications; manuals; pamphlets, brochures and catalogues; office requisites; computer disk holders; paper and stationery, desk accessories, telephone and address books, agendas, diaries, calendars, decals and bumper stickers; parts and fittings for all the aforesaid goods.</p> <p>Class 38 - Communication by computer, computer intercommunication; telecommunications services; telex, telegram and telephone services; rental, hire and leasing of communications apparatus and of electronic mail-boxes; electronic bulletin board services; electronic transmission of data and messages by electronic transmission.</p> <p>Class 41 - Educational services, providing of training, instruction and entertainment in the field of computers, multimedia products, interactive products and online services, and distributing course materials therewith; arranging and conducting of exhibitions, workshops, seminars and video conferences; publication of printed matter and of instructional and teaching materials.</p> <p>Class 42 - Promoting the interests of computer user groups and computer online user services; computer consultation, design, testing, research and advisory services; research and development of computer hardware and software; leasing access time and providing access to an electronic computer bulletin board; updating of computer software; computer time-sharing services; leasing and rental of computers; lithographic printing; computer-aided design and engineering services; computer systems analysis; computer programming services; computer services relating to</p>
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			multimedia and/or interactive products; provision of computer databases.
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