

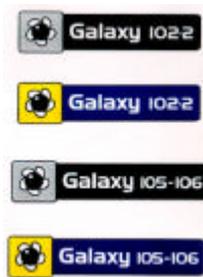
O-382-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2160580A AND 2199417A
BY CHRYSALIS GROUP PLC
TO REGISTER THE TRADE MARKS:**



AND



IN CLASS 9

AND

**THE OPPOSITIONS THERETO
UNDER NOS 91101 AND 91284
BY
KABUSHIKI KAISHA NAMCO**

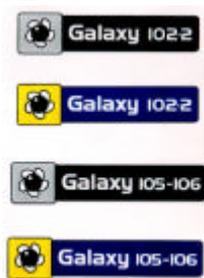
Trade Marks Act 1994

**In the matter of application nos 2160580A and 2199417A
by Chrysalis Group plc
to register respectively the trade marks:**



(a series of 8)

and



(a series of 4)

in class 9

**and the opposition thereto
under nos 91101 and 91284
by Kabushiki Kaisha Namco**

BACKGROUND

1) Chrysalis Group plc, which I will refer to as Chrysalis, applied to register the above series of trade marks. Application no 2160580A was filed on 11 March 1998 and application no 2199417A on 7 June 1999. Both applications were published for opposition purposes in the "Trade Marks Journal" on 19 June 2002 with the following specification:

cassettes, cartridges, tapes and disks, all bearing or capable of bearing sound and/or video recordings; phonograph records; all provided by, emanating from or relating to a radio station.

The above goods are in class 9 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. Chrysalis claims the colours purple (Pantone 267),

yellow (Pantone 109), black and white as elements of the fifth, sixth, seventh and eighth marks of application no 2160580A; it claims the colours purple (Pantone 267), yellow (Pantone 109), black and white as elements of the second and fourth marks of application no 2199417A.

2) On 19 September 2002 Kabushiki Kaisha Namco, which I will refer to as KKN, filed notices of opposition against the applications. KKN is the owner of United Kingdom trade mark registration no 2008618 of the trade mark **GALAXIAN**. It is registered for the following goods:

coin or counter freed amusement machines, video game machines, cases for video game machines, printed circuit boards for video game machines; all the aforesaid goods being coin-operated and for commercial use; video game machines for domestic use; software; magnetic, optical or laser tapes, cards, discs and read only memory cartridges, all being encoded video game programs; parts and fittings for all the aforementioned goods;

games and playthings; all being electronic; hand-held units for playing electronic games.

The above goods are in classes 9 and 28 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) KKN claims that the respective trade marks are similar and the respective goods identical or similar. Consequently, there is a likelihood of confusion and registration of the trade marks would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act). In the event that it is found that the respective goods are not similar, KKN claims that use of the trade marks would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character or the repute of its earlier trade mark and so registration of the trade marks would be contrary to section 5(3) of the Act.

4) KKN claims that it has used its trade mark in the United Kingdom since 1979. Consequently, it claims use of the trade marks of Chrysalis is liable to be prevented by virtue of the law of passing-off and so registration of the trade marks would be contrary to section 5(4)(a) of the Act.

5) KKN seeks the refusal of the applications and an award of costs.

6) Chrysalis filed counterstatements in which it denies the grounds of opposition; including the claim that the respective trade marks are similar.

7) Both sides filed evidence.

8) Both sides were advised that it was believed that decisions could be made without recourse to a hearing. However, the sides were advised that they retained their rights to a hearing. Neither side requested a hearing. Both sides furnished written submissions.

9) The grounds of opposition, the evidence and the submissions for these two cases are either effectively the same or identical. The only effective difference between the two cases is the date of applications. I have no doubt that the sides should have requested the consolidation of these cases at an early stage. However, no such request was made and there has been no consolidation. Nevertheless, it is my intention to write one decision that covers both cases. If there are any differences which could affect the outcome of one case but not the other, I will note it in my decision.

EVIDENCE

Evidence of KKN

10) This consists of evidence from Mr Grimshaw, who is the trade mark attorney for KKN, and Kazuya Kiyoshima, who is the intellectual assets group leader of KKN. A good deal of what Mr Grimshaw has stated is submission rather than evidence of fact. I will only comment upon the evidence of fact in this summary; although I take on board the submission elements of his evidence in reaching my decision.

11) Mr Grimshaw exhibits an extract from “Collins English Dictionary” for the term software. The reference defines software firstly as “the programs that can be used with a particular computer system”. It then defines the term as “video cassettes for use with a particular video system”. Pages downloaded from the Internet on 21 August 2003 are exhibited at RSG3. These refer to the following:

- ZTGD radio, which is described as a radio station playing only hardcore gaming music. It would appear to be broadcast via the Internet.
- RPG Radio, this describes itself as an “online streaming radio broadcast dedicated to broadcasting your favourite video games”. The radio station went online in March 2001.
- XGR.COM, which describes itself as the Internet’s “first 24/7 radio station for gamers”.
- There is a reference to streaming video game music radio station.
- The creation by online game fans of a radio station for the forthcoming PC game “Eve Online”. The page from the Internet is dated 11 March 2003 and emanates from Reykjavik.
- WTMK: Mario Radio. This is an Internet radio station that plays Mario music non-stop.

There is a copy of an extract from “Webster’s Third New International Dictionary”; this shows a reference to galaxian as an alternative to galaxial, meaning galactic.

12) Mr Grimshaw states that a search using the Lycos search engine revealed 330 hits of which approximately 80% “appeared” (Mr Grimshaw’s own word) to relate to KKN’s

product. He states that a search using Yahoo! produced over 4,000 hits. He states that he assessed the first 200 such hits, he states that it “seems” that 80% related to KKN’s GALAXIAN product. Mr Grimshaw does not exhibit the search results, neither is there any indication that the hits relate to United Kingdom websites. The number of hits says little, as it is common when conducting searches on the Internet to get multiple hits for the same websites. Without the relevant documentation and further information this part of the evidence tells me little about the position in the United Kingdom at the material dates.

13) Mr Kiyoshima states that KKN first used the trade mark GALAXIAN in relation to arcade machines in 1979. In 1981 GALAXIAN was first used on computer game software for use on personal computers. In 1984 KKN produced a GALAXIAN product for the MSX home computer and the Nintendo entertainment system. Mr Kiyoshima states that turnover figures for these periods are no longer available. He exhibits pages from the Internet, downloaded on 2 November 2000, relating to GALAXIAN for MSX home computers and Nintendo entertainment systems. GALAXIAN appears in quite a stylised form. The pages state that the price is not known, and in the case of the version for MSX suggest that a potential purchaser tries their local MSX club; in relation to the Nintendo version no seller is given, a potential purchaser is advised to try Telegames. Mr Kiyoshima states that versions were later produced for Atari, Commodore, Colecovision, Intendo (sic), GameBoy, PlayStation and Windows. An upgraded arcade machine was launched in 1993. A leaflet for this version is exhibited, it bears addresses in the USA, the United Kingdom and Japan. A catalogue from spring 1994 is exhibited showing use of a stylised GALAXIAN in relation to an arcade game. The catalogue shows United States and Japanese addresses. Mr Kiyoshima states that this shows use on the same arcade machines that were sold in the United Kingdom, not that the catalogue was used in the United Kingdom. He states that by the end of 1994 sales of the product in the United Kingdom amounted to £480,000. The wording is not clear but appears to indicate that this was the total value of sales ie for the period from 1979 to 1994. He exhibits reviews of GALAXIAN 3 from “Play” magazine for August 1996 and “PSX” magazine from June and August 1996. On 9 August 1996 GALAXIAN 3 was launched for use with Sony’s PlayStation. Copies of the packaging and product are exhibited. These show use of a stylised version of GALAXIAN 3. Mr Kiyoshima exhibits a chart showing sales of GALAXIAN for use with PlayStation from 1996-1998. This indicates that in the United Kingdom there were 2,249 sales in 1996, none in 1997 and 163 in 1998. Mr Kiyoshima states that in monetary terms the total value of GALAXIAN products supplied by KKN for distribution from 9 August 1996 to 31 March 1997 was \$US783,180. It is not clear if this figure relates to just the United Kingdom, the table shows sales in a variety of countries. In 1995 KKN released the GALAXIAN game as part of a compendium of games called “Return of the Arcade” for personal computers in collaboration with Microsoft. Mr Kiyoshima exhibits a copy of the relevant packaging. The product is a Microsoft Home product for Windows 95. Exhibited are quarterly figures for sales from 1996-2000. These figures are not a great deal of help as they divided into Europe and worldwide, there are no specific figures for the United Kingdom. On 21 February 1997 KKN released, in the United Kingdom, a version of the GALAXIAN game as part of the Namco Museum Volume 3 for use with Sony’s PlayStation. In 1997/1998 3,405 units

were sold in the United Kingdom with a cash turnover in excess of £180,000 (it is not stated if this is retail or wholesale). A copy of a leaflet is exhibited at KK9. This shows that six games were included in the package. The leaflet encourages the potential purchaser to “take a walk down memory lane”. This exhibit also includes reviews for the product from “Computer and Video Games” from 1996, “Play” of November 1996 and “PSX PRO” from 1996. The dominant sign in all this documentation is Namco Museum Volume 3, however, there is clear reference to the GALAXIAN game. Also exhibited is a copy of packaging for the product. Mr Kiyoshima states that GALAXIAN is now, he was writing in August 2003, downloadable as a game for mobile telephones. Mr Kiyoshima’s final exhibit is a page downloaded from KKN’s United Kingdom website on 27 June 2003 which relates to this telephone usage. On this page GALAXIAN appears in stylised form.

Evidence of Chrysalis

14) This consists of a witness statement by Clive Potterell who is the company secretary of Chrysalis. Mr Potterell states that Chrysalis operates a series of radio stations across the United Kingdom under the name GALAXY, these are identified regionally by their frequency (which is from 102FM to 106FM). Chrysalis has operated these radio stations since October 1995. He states that it has used the trade marks, the subject of the current applications, since June 1999. He does not advise if this use is in relation to the goods of the applications. Mr Potterell exhibits a page downloaded from the Internet on 28 May 2004 which shows the locations of various radio stations which are identified on a map of the mainland of Britain by trade marks which are the same or similar to those of the applications eg GALAXY 105 of application no 2160580A.

15) Mr Potterell states that Chrysalis does commission pre-recorded compact discs which comprise compilations of popular music. He exhibits copies of the packaging for three such compilations: Galaxy Weekend (with a copyright year of 1999), Galaxy Mix (with a copyright year of 1999) and Galaxy Hit Mix (with a copyright year of 2000). Mr Potterell states that Galaxy Mix was first sold on 11 October 1999 and at least 25,000 units have been sold. Galaxy Weekend was first sold at a similar time and 60,000 units have been sold. Galaxy Hit Mix was first sold in the United Kingdom on 15 May 2000 and approximately 15,000 of these discs have been sold. He states that the average retail price is between £11.99 and £13.99. The goods were available in retail outlets such as Virgin, HMV and Our Price and were promoted on the GALAXY radio stations and through in-store promotions. He states that the goods are still available as back catalogue items. Mr Potterell states that Chrysalis has never experienced any confusion with KKN or its GALAXIAN trade mark.

Evidence in reply of KKN

16) This is made by way of a further witness statement made by Mr Grimshaw. The statement represents submission rather than evidence of fact and so I will say no more about it.

DECISION

17) In its evidence and submissions KKN has made reference to a decision of the Opposition Division of Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM). Mr Geoffrey Hobbs, sitting as the appointed person, dealt with the issue of the effect of the decisions of OHIM in proceedings before the Patent Office in *Zurich Private Banking* BL 0/201/04:

“Finally, it must be appreciated that all assertions of inconsistency between acceptances and refusals within a national Registry and all assertions of inconsistency between acceptances and refusals in different registries are, by their very nature, question-begging as to the correctness of each of the various acceptances and refusals that are brought into contention.

However, the position as between different national registries and the Community Trade Marks Office is that they are not competent to adjudicate on the correctness of each other's determinations and, as a corollary of that, not required to treat each other's determinations as binding upon them in the independent exercise of their own powers. That is not to say that each of them should or will simply ignore determinations of the others. The general principle is that each of them should give determinations of the others such weight (if any) as they might fairly and properly be said to bear in the decision-taking processes they are required to undertake independently of one another.”

I have read the decision that KKN rely upon and have taken cognisance of the basis for it. However, I have to make my decision upon the basis of the particular trade marks before me, the submissions before me, the evidence before me and the current state of the law, as I understand it.

Likelihood of confusion – section 5(2)(b) of the Act

18) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“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”

The trade mark of KKN is an earlier trade mark within the meaning of section 6(1)(a) of the Act.

19) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723.

Comparison of goods

20) In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(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 service;
- (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 practice 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.”

In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, the European Court of Justice held in relation to the assessment of the similarity of goods and services that the following factors, inter alia, should be taken into account: their nature, their end users and their method of use and whether they are in competition with each other or are complementary. I do not consider that there is any dissonance between the two tests. However, taking into account the judgment of the European Court of Justice, I may need to consider whether the goods and services are complementary.

21) Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference

to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I also bear in mind the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* where he stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of the goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32 are also useful to bear in mind:

“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 section 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.”

22) The goods of the applications are:

cassettes, cartridges, tapes and disks, all bearing or capable of bearing sound and/or video recordings; phonograph records; all provided by, emanating from or relating to a radio station.

I do not consider that the limitation at the end of the specification has any effect on the nature of the goods. That they emanate from a radio station says nothing about what goods are sold or where they are sold; the evidence of Chrysalis shows that the goods are sold through the normal channels of trade for such goods. (For the effects of marketing strategies see *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2003] ETMR 61.) So for the purposes of these oppositions I will consider the goods without reference to the qualification at the end of the specification.

23) The goods of the earlier trade mark are:

coin or counter freed amusement machines, video game machines, cases for video game machines, printed circuit boards for video game machines; all the aforesaid goods being coin-operated and for commercial use; video game machines for domestic use; software; magnetic, optical or laser tapes, cards, discs and read only memory cartridges, all being encoded video game programs; parts and fittings for all the aforementioned goods;

games and playthings; all being electronic; hand-held units for playing electronic games.

KKN has exhibited the extract from “Collins English Dictionary” for the term software. The second definition in the dictionary is “cassettes for use with a particular video system”. Definitions in dictionaries do not necessarily reflect the reality of usage and understanding by the majority of the population and/or the average consumer. I have never heard of video cassettes being described as software. I consider to define them as such would be exceptionally strained. I cannot imagine the average consumer for the goods ever describing video cassettes as being software. There is no evidence that the trade does. A definition in a dictionary does not define reality. To accept that video cassettes are a species of software would, in my view, be to fly directly in the face of the judgments of Aldous LJ, Jacob J and Neuberger J.

24) All of the goods of the earlier registration are games or playthings or goods directly linked to games and playthings. I cannot see that any of the goods of the applications are games or playthings or could be considered as such; they are either blank media or media that is bearing sound or video recordings. Consequently, the uses and purposes of the respective goods are different. The user of one set of goods will be someone who wants to play a game; the users of the other, someone who wants to record something or watch a video or listen to sound. Consequently, the users are different. A user might buy games and recordings, for the purposes of the similarity of goods this does not make him or her the same user. Otherwise all users would end up being the same, a person. The use effectively defines the user. I cannot see, for instance, that a musical recording would be substituted for a game. I, therefore, do not consider that the respective goods are in competition. I cannot see that the respective goods are mutually dependent or enjoy a symbiotic relationship or that one set of goods is dependent upon the other. In *Pedro Díaz, SA v OHIM (CASTILLO)* Case T-85/02 [2004] ETMR 42 the European Court of First Instance (CFI) took a fairly liberal interpretation of the word complementary:

“36. Instead the products are complementary, since, in the eyes of the relevant public, they belong to a single product family and may easily be regarded as components of a general range of milk products capable of having a common commercial origin.”

Even on such a basis, I cannot see that the respective goods are complementary. (It is also to be noted that the CFI has taken a much harder view of what constitutes complementary goods in *El Corte Inglés, SA v Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* T-8/03.) In my experience the goods of

the applications and those of the earlier registration are sold in different outlets or, in large retail outlets, discrete areas. It is possible that the goods of the earlier registration and those of the applications could be of a similar nature eg they could all be in the form of a DVD. I am aware that there is now currently a trend for marketing computer games based upon cinematographic films and even films based upon computer games. However, there is no evidence to suggest that this was the position at either of the dates of application. Also, I do not consider that such merchandising/marketing trends will make the goods similar. Just as the tendency of some clothing producers to use their brand on perfumes does not make perfume and clothing similar. The evidence in relation to radio stations broadcasting music from computer games does not tell me anything about the relationship between the actual goods in question. It is also to be noted that this evidence comes from well after the dates of application. It certainly cannot be taken for granted that such Internet radio stations existed at the dates of application.

25) Taking into account all the above I do not consider that the respective goods are similar.

Comparison of trade marks

26) I will compare KKN's trade mark with the following trade mark of Chrysalis:



If KKN cannot establish similarity with this trade mark, I cannot see that it can do any better with any of the other trade marks of the applications. (I will also use this trade mark in relation to the claims under sections 5(3) and 5(4)(a).)

27) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). 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*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer 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 BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

28) KKN has exhibited an extract from “Webster’s Third New International Dictionary” in relation to the meaning of galaxian. It is first to be noted that this is an American

dictionary and so does not necessarily represent the language of the United Kingdom. However, even if this was not the case the fact that a word appears in a dictionary says little about how the average consumer would know the word. The bigger the dictionary the more the abstruse and obscure the words. I have never heard of the word. This might not be very telling. However, neither the spell check for United Kingdom nor United States English recognises the word. It is perhaps telling that KKN used a different dictionary for the one it used in relation to the definition of software. In fact “Collins English Dictionary”, the standard dictionary used in the Registry, has no reference to the word galaxian. I, therefore, intend to treat the trade mark GALAXIAN as being, for the average consumer, an invented word.

29) Clearly the device element of the trade mark of Chrysalis is alien to the word only trade mark of KKN. However, I do not consider that if the word elements are similar that this element will militate against an overall finding of similarity. Galaxy is an English word that is commonly known. The trade mark of KKN will be seen by the average consumer as an invented word. Both words start with the same five letters. The y and i of the two words have the same basic pronunciation. However, in my view, it is likely that the y in galaxy will not be emphasised while normal speech patterns will emphasise the i in GALAXIAN; as happens with the names of nationalities such as Latvian and Italian. The European Court of First Instance in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01 held:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has such a meaning is sufficient - where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

(Also see *Succession Picasso v OHMI - DaimlerChrysler (PICARO)* at paragraph 53 re this issue.) This conceptual dissonance is of importance in assessing similarity or dissimilarity. Words, after all, have importance and are remembered because of their meanings. Mr Hobbs QC, sitting as the appointed person, in *Torreomar* [2003] RPC 4 stated:

“At this point it is necessary to observe that marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode or element of expression to be perceived, in the context of the marks as a whole, as origin specific (see, for example, *Wagamama Ltd v City Centre Restaurants Plc* [1995] FSR 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd* [1988] FSR 283).”

In considering the respective trade marks one has to consider the similarities and the differences. Mr Geoffrey Hobbs QC, sitting as the appointed person in BL O/120/04, *Lee Alexander McQueen v Nicholas Steven Croom*, stated:

“The differences and the similarities had to be given as much or as little significance as the average consumer would have attached to them at the date of the opposed application for registration.”

and

“My difficulty is that in these passages of his decision the Hearing Officer has concentrated on the similarities to the exclusion of the differences between the marks in question. That might not have mattered if the marks differed only in respect of elements to which the average consumer would have attached little, if any, significance.”

I am of the view that the conceptual dissonance is a difference that makes a good deal of difference in the comparison of the respective trade marks. It is an important difference that will affect the perception of the purchaser. In respect of the respective goods, I am of the view that the average consumer will make a reasonably circumspect consideration of the respective trade marks; if not an exhaustive one.

30) In its submissions KKN comments on the similarity of the beginnings of the words and that the beginnings of words are more important than the endings when comparing them. This may be the case in general. It is, however, not an inevitable rule. The effects of conceptual dissonance can be of far greater importance.

31) Taking into account all the above, I do not consider that the respective trade marks are similar or, in the words of Mr Hobbs, distinctively similar.

Conclusion

32) It was inevitable, from finding that the respective goods are not similar, that the ground of opposition under section 5(2)(b) of the Act would fail. In this case not only are the goods not similar, neither are the trade marks. In coming to a conclusion in relation to the similarity of the respective trade marks, I have kept in mind that the average consumer rarely has a chance to compare trade marks and often relies upon imperfect

recollection. I note that KKN claims a reputation for its trade mark. It has used its trade mark for arcade games and personal computer games. By the material dates the GALAXIAN trade mark was primarily used as part of a bundle of games. KKN has shown use of the trade mark but that does not mean it has a reputation that is anything out of the ordinary. It has supplied no figures for the computer game market in the United Kingdom and so it is impossible to get a clear view of its position in the market. However, the turnover figures that are specifically identified with the United Kingdom do not seem particularly high, in fact the very opposite. The enhanced protection that comes with a reputation has two possible effects. It can make a trade mark that does not enjoy a great deal of distinctiveness more distinctive and so cause a greater likelihood of confusion (*Sabel BV v Puma AG*). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ETMR 91). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). GALAXIAN is an invented word, in relation to the computer games upon which it has been used, it strikes as enjoying a good deal of inherent distinctiveness and reputation would not add to this distinctiveness; or certainly not any reputation based upon the evidence before me. Reputation can also have an effect where there is only a limited degree of similarity between goods and services (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). In such cases the reputation can, in the global appreciation, help to bring about a finding of a likelihood of confusion. However, for this to bite it is necessary for the goods or services to be similar to commence with and so, even if KKN had the requisite reputation, it would not have assisted in this case. It is also to be borne in mind that reputation does not overcome an absence of similarity (see *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723 for the limitations of the effects of reputation). Finally, the lack of evidence of confusion, referred to by Chrysalis, tells me little (see both *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283). There is, for instance, no evidence that Chrysalis has used the trade marks across the whole gamut of goods of the specifications.

33) The grounds of opposition under section 5(2)(b) of the Act are dismissed.

Section 5(3) of the Act

34) At the time of the filing of the oppositions section 5(3) of the Act read:

“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.”

The Act has since been amended so that section 5(3) of the Act encompasses similar as well as non-similar goods. KKN’s submissions seem to indicate that it now wishes to rely upon section 5(3) in relation to similar as well as non-similar goods. The Office published a tribunal practice notice in relation to this issue – TPN 4/2004. This notice states:

“3. Existing claims

3.1 Although the ECJ’s judgements require Section 5(3) to be interpreted more widely, we will only take the wider interpretation into account if the claimant’s factual pleadings have been amended. Therefore, any party intending to rely, under Section 5(3), on identical or similar goods and services should request, at the earliest opportunity, an amendment of their statement of case.

3.2 Each request for leave to amend should be made (and will be considered) on a case by case basis; however, given the guidance from the ECJ we expect that favourable consideration will be given to most requests. In the event that leave to amend is granted, the other party to the proceedings will be given an opportunity to amend their counter-statement. The Registrar will not automatically allow any additional time periods for the filing of evidence in support of the amended claim. If further time to file evidence is required then a formal request should be made.”

No request has been received to amend the statement of grounds. Consequently, I will only consider the matter in so far as it concerns non-similar goods. As I have decided that the respective goods are not similar this does not greatly affect my deliberations.

35) In *General Motors Corporation v Yplon SA Case C-375/97* [2000] RPC 572 (*Chevy*) the ECJ stated:

“Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trade mark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trade mark to be known by a

significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.”

“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. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant factors of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use and the size of the investment made by the undertaking in promoting it.”

“The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.”

I have already made reference to the nature and effect of the evidence, to some extent, in relation to section 5(2)(b) of the Act. The same failings and frailties in the evidence apply in relation to section 5(3). There are no parameters in which to consider the sales figures of KKN in the United Kingdom, so it is impossible to gain an idea of the reputation of GALAXIAN. There seems to be very limited promoted in relation to the GALAXIAN, certainly on the basis of the evidence before me. Reviews of the game appear to have appeared in specialist magazines. The material dates are 11 March 1998 and 7 June 1999. At that time computer games were widely available and widely played. It was not just those who were particularly keen on the pastime. Computer games appeared bundled, for instance, with Windows software. Computer games have long appeared in public houses and like establishments. It strikes me that the average public for computer games is a very wide section of the public. It is not a specialist public – it is not just the computer game enthusiast. In his evidence Mr Grimshaw comments that GALAXIAN “consequently is known to different generations of computer games enthusiasts”. On the basis of the evidence, I do not consider that KKN has even established that GALAXIAN satisfies the *Chevy* criteria in relation to computer game enthusiasts. However, as I have indicated there is a much larger public than just computer game enthusiasts. There are the many occasional users who will be the public at large, people who are not enthusiasts but simply occasionally play computer games.

36) Having failed to establish the requisite reputation in respect of section 5(3) of the Act the claims under this ground must be dismissed. The claims also fail as I have already decided that the respective trade marks are not similar, a further requisite for section 5(3) of the Act. **The grounds of opposition under section 5(3) of the Act are dismissed.**

Passing-off section 5(4) of the Act

37) Section 5(4)(a) of the Act states:

“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;”

38) 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:

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

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

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

.....Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that; “To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

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

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

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

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

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

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

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

The material date cannot, therefore, be later than the date of the application for registration. In this case, there is no indication of use of the trade marks of Chrysalis prior to the dates of application. Consequently, the material dates are the dates of application: 11 March 1998 and 7 June 1999.

40) Pumfrey J in *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

"There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s 11 of the

1938 Act (see *Smith Hayden (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."

KKN's evidence does not satisfy the above criteria. Professor Annand, sitting as the appointed person, in *Loaded* BL0/191/02, accepted that proof of goodwill could be accomplished by other means. I have no doubt that the evidence shows that at the material dates KKN had a goodwill in a business by reference to GALAXIAN, it had the requisite reputation. This reputation relates to computer games.

41) Passing-off does not require goods to be similar. However, in *Harrods Ltd v Harrodian School* [1996] RPC 697 Millett LJ stated:

"The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration."

and

"The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything."

In *Stringfellow v McCain Foods (GB) Ltd* [1984] RPC 501 Slade LJ said:

"even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one."

Millet LJ in *Harrods Ltd v Harrodian School* also 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."

42) As I have indicated in relation to section 5(2)(b), there is now a crossover in merchandising between cinematographic films and computer games; goods bearing video

recordings could obviously include films. However, as I have also indicated, there is no evidence that this was the case at the material dates. This could be a phenomenon that has taken place since 1999. More importantly, as I have to consider KKN's claim to passing-off, there is no evidence to show that there has been any crossover in use of GALAXIAN. The evidence supports a claim to a very limited reputation. Taking into account the differences in the trade marks, the differences in the respective goods, the nature of the respective goods, the nature of the goodwill of KKN in relation to GALAXIAN, I do not consider that the public concerned will believe that KKN is responsible for the goods of Chrysalis; nor that the public concerned would consider that there is some merchandising link between the two undertakings.

43) The claims under section 5(4)(a) of the Act are dismissed.

COSTS

44) Chrysalis Group plc has been successful in these oppositions and so is entitled to a contribution towards its costs. I order Kabushiki Kaisha Namco to pay Chrysalis Group plc the sum of £900. This sum takes into account the essentially duplicate nature of all pleadings, evidence and submissions. 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 31st day of December 2004

**David Landau
For the Registrar
the Comptroller-General**