

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION m 2040530
BY GRANVILLE TECHNOLOGY GROUP LIMITED
TO REGISTER THE TRADE MARK

**TIME
DIRECT**

AND

IN THE MATTER OF OPPOSITION BY
TIME INCORPORATED
THERE TO UNDER OPPOSITION m 44982

DECISION

5 Granville Technology Group Limited, Granville House, Blackburn Road, Simonstone,
Burnley, Lancashire, BB12 7GT applied on 7 October 1995 to register the mark above for:

‘Computers and parts and fittings therefor, computer software; all included in class 9.’

10 The application is opposed by Time Incorporated, based on the following sections of the
Trade Marks Act 1994:

! s 5(2)(b) in that the Applicants’ mark is similar to an Opponents’ earlier mark and is
to be registered for identical or similar goods;

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! s 5(3) because the mark applied for is identical or similar to marks belonging to the
Opponents, the goods are not similar, and the Opponents have a reputation in the
UK for these marks;

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! s 5(4)(a) because use of the Applicants’ mark is liable to be prevented by virtue of
any rule of law protecting an unregistered trade mark.

The Opponents also plead that their mark is a well known mark under the Paris Convention.
This provides for the protection of marks which are well-known in the UK without necessarily
25 being registered here (s 56(2)). Though the Opponents may qualify for protection under the
Convention, this affords them no greater protection than that under s 5(2) on the basis of their
earlier UK registrations. Accordingly, I have not considered this ground any further.

30 They are also the owners of a number of registrations, typically specified for magazines,
publications or printed matter (See Exhibit RTS2). I have included in the Annex to this
Decision one of these, and the other marks specified for other products.

35 A counter statement is provided by the Applicants denying the grounds of opposition, but they
did not provide any evidence. No Hearing has been requested, so the following decision is
based on the material that has been submitted.

The Evidence

40 The Opponents enclose two Declarations. The first is from James Maxwell Stacey, a partner
in Baron & Warren, the Agents acting for the Opponents. Mr Stacey has researched the
connections between books, sound recordings, video recordings, computer software,
multimedia and computer peripherals, by visiting various retail shops in London. These

include Virgin Megastore, the HMV store, Selfridges, Currys and Tempo. He concludes:

5 ‘..it can be seen that the different fields of books, music, videos and computing are available to the consumer under one roof thus demonstrating that the distinctions between these fields are becoming increasingly blurred if not indistinguishable. As the millennium approaches the average consumer now has an ever increasing level of sophistication such that they will or have come to expect to be able to acquire all of their multimedia requirements from single retail sources.’

10 He adds:

10 ‘It is noted from the extensive advertising conducted by the Applicant that it is a supplier of multimedia PC systems invariably ‘bundled’ with branded software supplied by leading software suppliers. The term ‘bundled’ refers to the practice of supplying PCs pre-loaded with software at attractive prices. I have personal knowledge of the Applicant in that I have previously purchased by mail order a PC ‘bundled’ with branded software from it. I am unaware of the Applicant being the supplier of computer software products in its own right...I believe that there is a very real likelihood of consumers believing there to be a connection between the mark applied for under No. 2040530 and the world famous TIME trade mark by virtue of the identity or near identity of typefaces.’

20 The Opponents’ second declaration is from Robert T Scherer, Senior Counsel (Intellectual Property) of Time Warner Inc (previously known as Time Incorporated). Mr Scherer encloses a great deal of evidence. He states that the Opponents:

25 ‘..and its subsidiary companies collectively constitute the world’s largest media and entertainment company with extensive business interests in magazine and book publishing, film and television production and broadcasting, cable television, video and sound recordings, telephony and online services.’

30 Much of his extensive evidence, which I summarise briefly as follows, is intended to support this statement, and demonstrate the reputation the Opponents have in their marks.

35 In RTS4 are examples of the stationary used by the Opponents in the supply of printed matter, visual and audio recordings (through a subsidiary), while examples of packing for these products are shown in RTS5. Mr Scherer notes that the typeface of the mark used on these products (No. 1352045 - see the Annex) is ‘..identical or near identical to..’ that of the Applicants’ mark.

40 He says that the word DIRECT has become synonymous with mail order marketing, ie ‘direct’ marketing across various business sectors, including computing, and adds that currently 300,000 books and 800,000 audio-visual products are sold in the UK by this method. (I take this to mean the year of the Declaration, 1997, though this is not stated). He encloses in

evidence examples of the Applicants' advertising (Exhibit RTS6 and RTS7), which shows the word DIRECT employed in the sale of computers, and the Applicants' use of the word to distinguish items sold 'direct' from them as opposed from local showrooms.

5 Mr Scherer notes that the TIME brand was placed 46th in the world table of top brands, and second in the 'media' category. This assessment is based on the published work of respected corporate image consultants (Interbrand), which states (see RTS9):

10 'Today Time is one of the world's best-known and most widely read publications, distributed in over 190 countries and territories around the world. It has a total readership of around 30 million and is customised to suit national and regional interests.'

Mr Scherer also says that the Opponents are the registered proprietors of a considerable number of domain names on the internet (see Exhibit RTS9). He says:

15 'Companies register their company names as well as trade marks as domain names to prevent the possibility of confusion over the use of domain names by others. Therefore, the distinction between trade marks as identifiers as to trade origin and domain names as an electronic address identifier is becoming increasingly blurred if not fast disappearing. Furthermore, I am advised .. that companies are increasingly exerting trade mark rights to prevent use of conflicting domain names...'

20 Mr Scherer says that TIME magazine has a global readership and been sold in the UK since 1946. In addition this, the Opponents apparently market videos and audio cassettes. He says that the distinction between these products and computer equipment is becoming increasingly blurred, and this blurring is being hastened by the development of interactive television services (see RTS15), and the ability to download softwear from the internet.

Finally, Mr Scherer summarises the Opponents' position thus:

30 'The mark applied for utilises a similar typeface to that used for the TIME and TIME-LIFE trade marks. By virtue of the generic nature of the word DIRECT the comparison must be made between the typefaces utilised by the Applicant and Time International. Given the close similarity of typeface, the worldwide renown of the Time International TIME trade marks, the blurring of distinctions of the business sectors outlined .. above together with the existence of our well established direct marketing operation which uses the TIME trade mark there is a very real likelihood of confusion amongst customers which can only lead to a significant dilution of rights in its trade marks and logotype.'

40 The Decision

Turning to the first grounds of opposition, section 5(2)(a) and (b) of the Act read:

‘(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

5 (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.’

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The protection granted by these sections applies to earlier marks (as defined by s 6(1)), where similarities exist between them and later marks, and the goods they both specify, such that the confusion defined is likely. The Opponents’ marks fall into this category of earlier marks.

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It could be argued that the marks at issue (see page 6 below) are identical, as the word DIRECT adds nothing to the Applicants’ mark, being wholly descriptive, and s 5(2)(a) therefore applies. This is debatable. However, I do not think this matters one way or another, as the issue turns, in my view, on the similarity of the goods in question and the reputation the Opponents have in their marks. This case can be made under s (a) or (b) and I choose to consider only the latter. In approaching s 5(1)(b) I am mindful of the recent guidance given by

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the European Court of Justice in the CANON¹ case:

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

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In the view of Mr. Geoffrey Hobbs QC, acting as the Appointed Person, in the BALMORAL CASE²:

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“The tenth recital to the Directive and these observations of the Court of Justice indicate that an objection to registration under Section 5(2) of the Act should be taken to raise a single composite question: are these similarities (in terms of marks and goods or services) which would combine to create a likelihood of confusion if the “*the earlier trade mark*” and the sign subsequently presented for registration were used concurrently in relation to the goods or services for which they are respectively registered and proposed to be registered?”

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¹CANON KABUSHIKI KAISHA V. METRO-GOLDWYN-MAYER INC (1999) RPC 117

²BALMORAL CASE (1999) RPC 297.

Accommodating the CANON case, the query can be recast as follows:

5 'Are there similarities which would combine to create a likelihood of confusion if the TIME marks and TIME DIRECT were used concurrently in relation to the goods or services for which they are respectively registered and proposed to be registered, taking into account the recognition of the TIME marks on the market?'

10 This is a question composing of a number of factors all of which have to be weighed together. I would, however, like to consider whether the goods at issue are similar first, before I propose to answer it. The Applicants' mark is to be registered for 'Computers and parts and fittings therefore, computer software; all included in class 9.' The Opponents' various marks are registered for a range of goods, that include printed publications, magazines, cinematograph films, phonograph records, pre-recorded discs, tapes and cassettes for reproducing sound and/or video.

15 In his evidence, Mr Stacey argues that they these are similar to the Applicants' mark, because they can be purchased under '..one roof thus demonstrating that the distinctions between these fields are becoming increasingly blurred if not indistinguishable.'

20 It is difficult to accept this argument. Many goods can be purchased from the same retailer and it does not follow that they are similar goods. Following the proliferation of hypermarkets most consumers are familiar with the experience of being able to purchase a wide variety of disparate products in the same establishment. I also find the evidence from Mr Scherer, about the Opponents' employment of the internet or use of postal sales, unhelpful in establishing a connection with the Applicants' goods, for largely the same reason. Consumers are also familiar with a huge number of products and information available from these sources. His other arguments - concerning the ability to down load software from the internet, and the advent of digital television blurring the distinction between the goods at issue - also are not conclusive. These, to my mind, maybe a means by which consumers can source goods, and does little to strengthen the contention that the goods at issue are similar.

30 I note that the CANON case says that '..a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks and ..' and a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods or services. Despite this, it seems to me that 'Computers and parts and fittings therefore' are not similar goods to the Opponents, as specified in their registrations. They are simply too far apart, s 5(2)(b) cannot apply, and to this extent, the Opposition fails under this ground.

40 However, computer 'software' is a very broad term, which could encompass goods clearly dissimilar to the Opponents' products - such as operating systems - but may include others which are equally clearly similar. For example, electronic publications are similar to the Opponents' Class 16 goods, including for example, educational software and software providing reference and topical information.

With this background I wish to apply the question posed by Mr Hobbs above. I think it is helpful if I place the marks at issue side by side:

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10 I must consider the similarity of the marks and the goods together, as part of a composite question that also takes on-board the ‘fame’ of the Opponents’ registrations, that is, ‘the recognition of the trade mark on the market’. This is obviously very substantial for publications under the TIME marks, particularly No. 502013, but less so for audio-cassettes and videos in general. There are two other factors I must consider as well.

First, as Mr Stacey states in his evidence,:

15 ‘I believe that there is a very real likelihood of consumers believing there to be a connection between the mark applied for ... and the world famous TIME trade mark by virtue of the identity or near identity of typefaces.’

20 Next, Mr Scherer also comments on the lack of distinctiveness imbrued by the word DIRECT in the Applicants’ mark. He says that the word DIRECT has become synonymous with mail order marketing, ie ‘direct’ marketing across various business sectors. I accept this interpretation of the word DIRECT; it is purely descriptive is not a distinguishing feature of the Applicants’ mark. In short, the Applicants’ mark is essentially a TIME mark, in a typeface that is very nearly identical to the Opponents’, and contains no valid ‘excess’ matter that might
25 reduce the risk of confusion.

I think the likelihood of confusion is a real possibility for software products that includes electronic publications and educational software. To this extent, I believe, the Opposition under s 5(2)(b) succeeds.

30 The next ground the Opponents plead is under s 5(3). This states:

‘(3) A trade mark which -

35 (a) is identical 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,

40 shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom .. 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.’

5 It is clear that the similarity of goods is not a requirement under this section. However, for the section to bar registration of a mark certain conditions must apply. In *RBS Advanta*³ Laddie J considered the meaning of the proviso to Section 10(6) of the Act, which deals with comparative advertising, but contains wording identical with the wording in Section 5(3) of the Act. Laddie J expressed the following view on the meaning of the above words in that context:

10 ‘At the most these words emphasise that the use of the mark must take advantage of it or be detrimental to it. In other words the use must either give some advantage to the defendant or inflict some harm on the character or repute of the registered mark which is above the level of *de minimis*.’

15 As intimated above, I accept that the Opponents have very significant reputation in their marks for publication of their magazine. This is confirmed by the ‘Interbrand’ assessment reproduced at page 3, lines 8-10.

20 In the recent *CORGI*⁴ case, Geoffrey Hobbs, acting as the Appointed Person, said:

25 ‘It seems to me ... that section 5(3) provides “extensive protection to those trade marks which have a reputation” (see the ninth recital to Council Directive 89/104/EEC) by specifying particular circumstances in which the protection enjoyed by an “earlier trade mark” may be taken to extend to cases involving the use of the same or similar mark in relation to goods or services which are not similar; those circumstances exist when: (i) the “earlier trade mark” can be shown to possess a distinctive character enhanced by a reputation acquired through use in relation to goods or services of the kind for which it is registered; and (ii) it can be shown that use of the later mark in relation to goods or services of the kind for which it is registered (or sought to be registered) would without due cause capture the distinctive character or repute of the “earlier trade mark” and exploit it positively (by taking unfair advantage of it) or negatively (by subjecting it to the effects of detrimental use).’

30 Thus, one of the objectives of s 5(3) is to protect against the illegitimate exploitation of the distinctive character or reputation of a mark.

³*RBS ADVANTA V BARCLAYS BANK PLC* 1996 RPC, page 307.

⁴*CORGI TRADE MARK* [1999] RPC 15, 549 at 558.

I note the similarities between the marks at issue. This is not only based on the use of the word TIME in the marks but, in particular, on the common font the marks use. The Opponents claim the typeface is distinctive of them, and the Applicants have not denied this in evidence in reply; the contention remains unchallenged.

5 I have set against this, however, the fact that TIME is not a fancy word and has a clear dictionary meaning. Unlike the KODAK mark, for example, it does not possess the inherent distinctiveness of a wholly invented word, coupled with a massive reputation.

10 Further, the reputation the Opponents' do have is of a specific type, resting, in my view, in serious journalism. Despite the contentions made in their evidence, I do not believe that this reputation extends beyond this - their involvement in the Internet and other media is means of extending the methods by which they engage in this activity, and has not provided them with any particular recognition by consumers for the goods involved.

15 In view of this, I find it difficult to conceive how registration of the Applicants' mark will in some way parasitise on the Opponents' reputation, or in some way harm it. It is clear from the Opponents' own evidence that the Applicants are a very large commercial concern in their own right. Mr Stacey, for the Opponents, declares himself as one of their customers and expresses no dissatisfaction with the product he purchased (paragraph 10). Further, the extent
20 of the Applicants' business is shown at Exhibit RTS7, where the Applicants are described as the UK's leading direct PC supplier.

The onus is on the Opponents to establish their case under this section, that is, to show how the criteria identified by Mr Justice Laddie above would follow if the Applicants' mark is
25 registered. They have not done so and this ground fails.

The final ground is under s 5(4)(a). This section states:

30 '(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 a unregistered trade mark or other sign used in the course of trade..'

35 To succeed in a passing off action, it is necessary for the Opponents to establish that, at the relevant date (7 October 1995): (i) they had acquired goodwill under their mark, (ii) that use of the 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.⁵

⁵A fuller summary of the position can be found in WILD CHILD [1998] RPC 455, page 460ff.

Following the detailed considerations I have given to the s 5(2)(b) ground, I believe it clearly follows that passing off is a real possibility for the goods the software goods indicated. It is, in my view, equally clear that it is not a possibility for the other goods listed in the specification. I concluded that the likelihood of confusion between the marks for these goods was remote. I have not seen any evidence of argument that supports a contention of misrepresentation by the Applicants, such that damage will accrue to the Opponents. This ground is thus only partially successful, as was that under s 5(2)(b).

As the grounds for refusal exist only in respect of goods in Class 9 the application will be allowed to proceed to registration if, within one month of the end of the appeal period for this decision, the Applicant files a TM21 restricting the specification as follows:

‘Computers and parts and fittings therefore, computer software (excluding electronic publications, educational software and software providing reference and topical information); all included in class 9.’

If the Applicant does not file a TM21 restricting the specification as set out above the application will be refused in its entirety.

Both Opponents and Applicants have asked for costs. As the Opponents have been partially successful in their opposition I order the Applicants to pay to them the sum of £200.00

Dated this 22nd day of November 1999

**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller-General**

ANNEX

	Mark	Date	Number	Goods
5		22.04.1929	502013	Class 16: Weekly publication.
10	THE MARCH OF TIME!	05.06.1935	560683	Class 9: Cinematograph films being transparencies adapted for the purpose of producing the illusion of moving pictures with or without a sound track incorporated thereon.
	TIME	12.06.1972	993552	Class 9: Phonograph records.
15	TIME-LIFE	19.06.1979	1116065	Class 16: Printed matter.
	TIME-LIFE	22.07.1988	1116064	Class 9: Pre-recorded discs, tapes and cassettes for reproducing sound and/or video.
20		22.07.1988	1352045	Class 9: Pre-recorded discs, tapes and cassettes for reproducing sound and/or video.