

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2012981
BY MEDISON CO. LIMITED
TO REGISTER A TRADE MARK IN CLASSES 9 & 10

5
AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 45102
BY MEDICON EG CHIRURGIEMECHANIKER- GENOSSENSCHAFT

10 BACKGROUND

On 23 December 1994, Medison Co. Ltd of 114 Yangdukwon-ri, Nam-myun, Hongchun-kun, Kangwon-do, Republic of Korea applied under the Trade Marks Act 1994 for registration of the following trade mark:



20 In respect of the following goods:

Class 9: "Image filing systems; computers, computer peripheral devices, computer installations, all being medical workstations."

25 Class 10: "Electrocardiographs, probes and radiological apparatus for medical purposes; ultrasonic diagnosing apparatus; ultrasonic probes; endoscopes, video and electronic endoscopes."

30 On the 14 August 1996 Medicon eG Chirurgiemechaniker - Genossenschaft of D-78532 Tuttlingen, Gansacker 15, Germany filed notice of opposition to the application. The grounds of opposition are in summary:

35 1) The opponent is the proprietor of UK trade mark number 953793 MEDICON. It sells medical, surgical and dental apparatus and instruments under this mark in the UK and has built up a substantial goodwill and reputation in the UK under this trade mark

2) The mark in suit is devoid of distinctive character and should be refused under Section 3(1)(b)

40 3). In view of the opponent's registered mark, the application was made in bad faith and should be refused under Section 3(6).

4) Registration of the MEDISON mark would be contrary to the provisions of Section 5(2)(b), 5(3), & 5(4) of the Trade Marks Act 1994.

45 5) The application should be refused under Section 40(1) on the grounds that it was accepted in error.

The applicant filed a counterstatement denying the above grounds.

Both sides seek an award of costs in their favour. Both sides filed evidence in these proceedings and the matter came to be heard on 28 November 2000, when the applicant was represented by Ms Clark of Counsel, instructed by Messrs Miller Sturt Kenyon. The opponent was represented by Mr Marsh of Messrs Wilson Gunn M’Caw.

OPPONENT’S EVIDENCE

The opponent filed a declaration, dated 10 February 1998, by Richard Lester the Managing Director of Lester Surgical Ltd the exclusive distributors of the opponent’s products in the UK since 1992.

It is claimed that the mark, MEDICON, has been used in the UK for 25 years. Mr Lester states his company sells between 12,000- 15,000 items under the Medicon mark per annum, giving an annual turnover of approximately £300,000 with approximately £12,000 being spent on promotion via mail shots, advertising and exhibitions. Of the 820 operating hospitals in the UK 530 have purchased MEDICON products.

Examples of use of the mark are provided:

- At exhibit RL2 two brochures dated 1995 and 1997 labelled “Instruments for Arthroscopy” and “Lipo suction Cannulas”. The name “Medicon Instrumente” is on the front covers and at the top of each page of these brochures. The picture on the front of one brochure shows three medical instruments and the mark “Medicon” can be seen on two of the items.
- At exhibit RL3 pictures of a stand said to be at the British Association of Surgeons exhibition in Bournemouth in June 1996. These show a stand with the name “Lester Surgical” prominently displayed with underneath it in slightly smaller letters “Medicon Instruments”.
- At exhibit RL4 examples of literature sent to hospitals giving details of Medicon products. Those leaflets that have a date are from 1988 to 1993, and refer to surgical instruments.
- At exhibit RL5 an issue of “The British Journal of Theatre Nursing” dated July 1992. This is said to be mailed to 2730 theatre nurses and shows an advertisement for Lester Surgical Ltd which mentions that “are also the main agents for Medicon of West Germany, one of the world’s largest manufacturers of surgical instruments”.

APPLICANT’S EVIDENCE

The applicant has filed four declarations. The first, dated 10 December 1998 by Dr Seung-Woo Lee, the President of Medison Co. Ltd. He states that he is conversant with the English

language. He states:

5 “Medison Co. Ltd was established on 2nd August 1985. The company name and logo were adopted at the time of establishing the company. When selecting the company name, we invented the word MEDISON and the logo. Both the logo and the word were selected to hint at our core product of ultrasound scanning.

10 The trade mark MEDISON and logo were first used in Korea in August 1985 and has been used continuously since that date not only in Korea but also throughout the world.”

15 At exhibit A are produced copies of pages from the company web site, dated 1998, which provides details of the product ranges, some of which appear to use secondary marks in addition to the mark in suit. At exhibit B is a leaflet used in the UK in 1996.

The second declaration, dated 16 December 1998, is by Hans-Jurgen Gassert a Director of Diagnostic Sonar the applicant’s distributor of Medison products in 1997. Mr Gassert states:

20 “I have been involved with my company and active in this business area for 23 years. Throughout that time, I have been aware of many companies using a name prefixed MEDI. I have heard of the company MEDICON and know that they have no exposure in the UK. I am not aware of any products sold under the name MEDICON in the UK and certainly not in relation to ultrasound equipment.”

25 The third declaration, dated 17 December 1998, is by George Bowie a Director of BCF Technology Ltd, a position he has held for twelve years. BCF Technology Ltd appear to sell ultrasound scanning equipment. Mr Bowie’s company specialises in the veterinary field and he states that his company spends an average of £10,000 per annum promoting the products under the MEDISON and logo mark.

30 At exhibit A he supplies shipping notes from the applicant dated in 1988 relating to ultrasound equipment. He states that this was the first time the mark was used in the UK, and that it has been used continuously in the UK since this date. The applicant’s products are used both for humans and animals.

35 The fourth declaration, dated 17 December 1998, is by Clifford Mark Sturt, Managing partner of the applicant’s trade mark agency. He provides at Exhibit A marks on the UK Trade Mark Register for trade marks in Classes 9 or 10 all prefixed with the letters MEDI. The thirty-five marks shown all appear to be for Class 10 goods.

40 OPPONENT’S EVIDENCE IN REPLY

45 The opponent filed a declaration, dated 3 August 1999, by Karl-E Liebermann, who is the opponent’s Head of Product Management and Development. He states that, contrary to the applicant’s claims, there has been a history of conflict between the parties over the issue of confusion between their respective products. He states:

5 “My company filed a trade mark and company name infringement law suit in Germany. In this law suit a settlement between Medison Europe and my company was made. Medison Europe signed an agreement in Court (1a - 1h) to cease using Medison Europe GmbH, not to offer goods for sale under the trade mark MEDISON and to delete the company name Medison Europe GmbH from the German Register. Medison later violated the agreement. A further action was filed and Medison agreed in an agreement (2a - 2d) to pay DM40,000 to my company.”

10 The agreements referred to are filed at exhibit KL1 complete with translations.

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

15 **DECISION**

The first ground of opposition is under Section 3(1)(b) which reads as follows:

20 *3 (1) The following shall not be registered -*

(a)

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

(c)

(d)

30 *Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.*

35 At the hearing Mr Marsh accepted that the opponent had offered no evidence as to why the mark cannot function as a trade mark. However, he asserted that the mark in suit was the phonetic equivalent of the word “medicine”. He also claimed that it could be slurred or mispronounced so as to give the word “medicine”, and in view of the nature of the goods this would make the mark non-distinctive.

40 I am guided by the comments of Jacob J in the British Sugar Plc v James Robertson and Sons Limited case (TREAT) 1996 RPC 281: Jacob J said -

45 “Next is “Treat” within Section 3(1)(b). What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark? A meaningless

word or a word inappropriate for the goods concerned (“ North Pole” for bananas) can clearly do. But a common laudatory word such as “Treat” is, absent use and recognition as a trade mark, in itself (I hesitate to borrow the word *inherently* from the old Act but the idea is much the same) devoid of any distinctive character. I also think that ‘Treat’ falls within Section 3(1)(c) because it is a trade mark which may serve in trade to perform a number of the purposes there specified, particularly to designate the kind, quality and intended purpose of the product.”

The trade mark in question consists of a device followed by the word MEDISON. The device appears to be an “m” which has a series of rays or a “force field”emanating from it. Whilst I accept that the mark is a play on the words “medicine” and “sonic”, I do not accept the contention that the mark as a whole is therefore devoid of any distinctive character. The opposition under this Section therefore fails.

Next I turn to the ground of opposition under Section 3(6) which reads:

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

An allegation that the applicant should have been aware of the earlier trade mark, which the opponent considers similar to the applicant’s trade mark in suit, is not sufficient to sustain an objection to registration under this head. I accept that there is a history between the two parties and that there have been various court actions in other countries. However, the applicant has denied the allegation. In the absence of any evidence that the applicant made his application in bad faith this ground of opposition is bound to fail. The onus is on the opponent when basing a ground of opposition under Section 3(6). That onus has not been discharged and this ground of opposition is therefore dismissed.

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

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

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

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

An earlier right is defined in Section 6, the relevant parts of which state

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

(a)...a registered trade mark, international trade mark (UK) 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.

I have to determine whether the marks are so similar that there exists a likelihood of confusion on the part of the relevant public. In deciding this issue I rely on the guidance of the European Court of Justice in *Sabel Bv v Puma AG* [1998 RPC 199 at 224], *Canon v MGM* [1999 ETMR 1] and *Lloyd Schfabrik Meyer & Co. GmbH v Klijsen Handel BV* [1999 ETMR 690 at 698]. It is clear from these cases that: -

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer, of the goods / services in question, 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;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(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;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(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;

(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);

(h) 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.

I also take into account the recent case of *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723. The European Court of Justice said of Article 4(1)(b) (transposed into UK law in Section 5(2)(b):

“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.....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.”

The Court felt that the concept of association of marks in the global assessment of the likelihood of confusion was over emphasised. It is not sufficient for the average consumer to merely associate marks in the sense that if prompted a consumer will call to mind another mark. Thus a mere possibility of confusion, even in situations where a mark clearly has a strong reputation, is not a valid ground for opposition to a trade mark under Section 5(2) of the Act.

I will first consider the marks. Visually the respective marks have the first four letters and the last two letters in common and are of similar length. The only difference between the words being the fifth letter with the applicant's mark (Medison) having an "S" whilst the applicant's mark (Medicon) has a "C". The applicant's mark also has, at the beginning, a device which appears to be an "m" with waves emanating from it. The device is of a substantial size, and although "words speak louder than devices" that position and size of the device imbues it with above average significance.

Aurally the words are similar with the two syllables "Med" and "e" being identical, the third syllables having different beginnings "Son" and "Con". Clearly the concept of the slurring of endings of words and the closeness of the "s" and "c" sound would allow for the marks to be aurally confused. Although as these goods are not likely to be selected purely by word of mouth, aural similarity is of relatively low importance.

Conceptually, both marks make clear their medical purpose with the use of the prefix MEDI. The applicant's device mark hints at the use of rays or waves, although whether the average consumer would understand the second syllable ("SON") to mean sonic is perhaps doubtful.

I must also consider whether the opponent's mark has a particularly distinctive character either arising from the inherent characteristics of the mark or because of the use made of it. Much of the evidence of use is after the relevant date, and the sales at and prior to the relevant date are not specified. The opponent cannot claim to have anything more than an average reputation as at 23 December 1994.

It is clear from the above cases that in the overall assessment of a likelihood of confusion, the similarity of marks is but one aspect. Due regard should be given to the closeness of the respective goods, the reputation the earlier mark enjoys in respect of the goods or services for which it is registered, and any other relevant factors.

The opponent's mark is registered for "Medical, surgical and dental apparatus and instruments, and parts and fittings included in Class 10 for all the aforesaid goods, but not including intravenous administration apparatus and instruments, surgical needles or mechanical ligators."

It is, I think, beyond dispute that the applicant's specification in Class 10 is encompassed by the opponent's Class 10 specification. With regard to the applicant's goods in Class 9 the opponent's have not put forward any evidence regarding the similarity of their goods other than pointing out that as both are, in the widest sense, medical equipment then they would be used by medical staff for medical purposes. I do not accept this proposition.

At the hearing Mr Marsh, for the opponent, gave his view as to the identity of the average consumer for the goods of both parties in the instant case. He said:

5 “...ultrasound equipment and apparatus are only available in hospital facilities. It is not such equipment as would be available to the ordinary man in the street via chemists, or by walking in somewhere and having ultrasound treatment. It has got to be through a hospital as part of some surgical or medical examination or process.”

Later he said:

10 “If we consider the matter slightly more generally, the likelihood of confusion, granted the medical profession is quite diverse, there are all manner of complaints and diseases and illnesses which need treating, diagnosing. That said, the medical profession is also quite a specialist market in many aspects in so far as equipment is not ten a penny, it is very expensive, very specialised. Manufacturers of medical equipment are not marketing equipment to the general public. They are marketing equipment to specialist positions, doctors, nurses, hospital administrators, who have to be quite au fait with a wide range of treatments and products, products for surgical use, products for medical use, drugs. It is a very specialist market, so when we get to consider the likelihood of confusion I would submit that a product such as an ultrasound machine is quite a specialist and probably a very expensive piece of medical equipment. As has been demonstrated in the evidence of Mr Richard Lester, the majority of the products sold by the opponent are what you class as surgical equipment and apparatus. They could quite feasibly be used by the physicians , doctors and nurses who are also coming across using and dealing with equipment such as ultrasound facilities and electrocardiographs.”

Later still he commented:

30 “In most hospitals now they have particular buyers, administrators, hospital managers, and I think in a lot of your ordinary doctors’ surgeries they have practice managers who may not be trained medics, but they will be looking at sales information, seeing sales reps, and they are the people who are likely to be confused potentially.”

35 The applicant concurred that the goods would be purchased by such people and not “the man on the Clapham Omnibus”.

40 The differences in the marks is such that the average consumer, whether a member of the medical profession or an administrator working alongside such practitioners, would not be likely to be confused, even when the marks are used on identical goods such as those in Class 10. . As Mr Marsh said “They are marketing equipment to specialist positions, doctors, nurses, hospital administrators, who have to be quite au fait with a wide range of treatments and products, products for surgical use, products for medical use, drugs.”

45 With all of this in mind I come to the conclusion that while there are similarities, they are more than counterbalanced by the differences, and when all factors are considered, that there is no realistic likelihood of confusion at 23 December 1994. Consequently, the opposition under

Section 5(2)(b) fails.

I next consider the ground of opposition based on Section 5(4) which reads:

(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*

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

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

(5) *Nothing in this section prevents the registration of a trade mark where the proprietor of the earlier trade mark or other earlier right consents to the registration.*

In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that to succeed in a passing off action, it is necessary for the opponent’s to establish, at the relevant date (23 December 1994), that: (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.

I have already found that the opponent has goodwill under the name Medicon for goods in Class 10. However, I concluded that this was not enough to result in a likelihood of confusion under Section 5(2). It seems to me that the necessary misrepresentation required by the tort of passing off would not occur here, either. The ground of opposition under Section 5(4) therefore fails.

This leaves the ground opposition under Section 5(3) which states:

5 (3) *A trade mark which -*

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

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

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

The term “earlier trade mark” is itself defined in Section 6(1) of the Act, which is set out earlier in this decision.

10 Having decided that the marks are not similar, that the goods are in part similar and in part dissimilar and that the opponent has a reputation for goods in Class 10. I have to consider whether the use by the applicant of the MEDISON & device mark for goods in class 9 would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character or repute of the opponent’s MEDICON mark.

15 In RBS Advanta v Barclays Bank Plc 1996 RPC p307, Laddie J. considered the meaning of the proviso to Section 10(6) of the Act which deals with comparative advertising. The second half of the proviso 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:

20 “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”.

25 In summary, the opponent’s case seems to be that consumers seeing the applicant’s mark will think of them. Mr Marsh, if I understood him correctly, contends that this, of itself, takes unfair advantage of the opponent’s goodwill and reputation. Mr Marsh pointed to the sales figure provided. This figure does not relate to a specific year and is an estimate. I am prepared to accept that the applicant’s mark may remind some people of the opponent’s mark. However, I do not consider that simply being reminded of an identical trade mark with a reputation for dissimilar goods necessarily amounts to taking unfair advantage of the repute of that mark. Accordingly, the objection founded under Section 5(3) fails.

35 The opposition having failed the applicant is entitled to a contribution towards his costs. I order the opponent to pay the applicant the sum of £1135. This sum to be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

40 Dated this 17 day of January 2001

45 George W Salthouse
For the Registrar
The Comptroller General

