

O-298-03

DECISION OF THE TRADE MARKS REGISTRY

TRADE MARKS ACT 1994

APPLICANT: KABUSHIKI KAISHA NTT NTT DOCOMO (NTT DOCOMO, INC.),

OPPOSITION N^o. 52578

AND

OPPONENT: GATEWAY INCORPORATED

APPLICATION N^o. 2257040

CLASSES 9, 38 AND 42



TRADE MARKS ACT 1994

BACKGROUND

1. The mark is shown on the first page of this decision. It was applied for on 2nd January 2001 by Kabushiki Kaisha NTT DoCoMo (NTT DoCoMo, Inc.), 11-1 Nagatacho 2-chome, Chiyoda-ku, Tokyo, Japan for:

Class 9: Communication and telecommunication apparatus, equipment and instruments; telephones; mobile and video telephones; cellular telephones; PDA's (personal digital assistants); car navigation apparatus, equipment and instruments; apparatus for capturing, recording, reproducing, manipulating and transmitting data, images and sounds; data carriers, collectors, and feeders; magnetic data carriers and encoders; data processing apparatus and equipment; data banks; computer software and hardware; computer software and publications (downloadable) in electronic form supplied on-line from databases or from facilities provided on the Internet (including web sites); computer software, downloadable from a global computer network; computer software to enable searching of data; computer search engine software; pre-recorded and blank discs, diskettes, cartridges, cassettes, compact discs, CD Roms, DVD's, mini-discs and tapes; video films; electronic notice boards; printed circuits; integrated circuit cards (smart cards); encoded and magnetic charge cards, credit cards and debit cards; encoded and magnetic cards for use in relation to the electronic transfer of funds; cards bearing electronically recorded data; encoded or magnetic cards for use with computers; parts and fittings for all the aforesaid goods.

Class 38: Telecommunications; communication services; communication by cellular telephones; radio and telephone paging services; providing telecommunications connections to a global computer network by computers; providing telecommunications connections to a global computer network by cellular telephones; electronic mail services; value-added network (VAN) services; advice and consultancy services in relation to all the aforesaid services.

Class 42: Computer data processing; computer rental; rental of computer software; updating of computer software; leasing or providing access time to computer databases, web sites, home pages and bulletin boards of others; computer consultancy services; computer programming; design of networks and telecommunication installations; providing computer software downloaded from a global computer network; advice and consultancy services in relation to all the aforesaid services.

2. Registration of the mark is opposed by Gateway Incorporated under ss. 5(2)(b), 5(3) and 5(4)(a) on the basis of earlier Community Trade Mark registrations, which I have listed in the Annex, and claimed earlier rights in the UK.
3. A Counterstatement was provided by the applicant denying the grounds asserted. Both parties ask for costs to be awarded in their favour.

HEARING

4. The opponent was represented at the hearing by Mr. Brian Dunlop of Messrs. Wynne Jones Laine & James. The applicant was represented by Mr. Guy Tritton of Counsel, instructed by Messrs. Marks & Clerk.

EVIDENCE

Opponent's Evidence

5. The opponent's main evidence appears in a Statutory Declaration by Ms. Aideen Mary McCracken, their Director of Product Management and Development for Europe, the Middle East and Africa.
6. Gateway Incorporated was originally founded in the United States of America, and used the black and white branding since 1990 (see McCracken, paragraph 2), which is apparently based on the markings of Holstein or Friesian cows, and a recognition of the rural beginnings of the company.
7. A presence in Europe was established in Ireland in 1993 (McCracken, paragraph 2), which apparently serviced the UK and Irish markets, selling PC's and peripherals by 'direct telephone sales'. The extent of these sales in the UK is not indicated until later in Ms. McCracken's Declaration, where some evidence of actual trade is provided (see Exhibit AM4). From 1st January 1997 to October 2001 373605 units were sold in the UK and Ireland. The business in the UK is given as \$1,136,555,104.46 (approximately as £733, 261, 357 using 1.55 as an exchange rate) over the same period, and breaks down, by year, as:

\$

1995	203,637,037
1996	253,532,872
1997	301,801,378
1998	253,380,126
1999	124,203,691 (first quarter)

8. On the basis of this material, there is little doubt that the opponent has a large presence in the UK, though it is not straightforward to quantify the extent of this from their evidence. For example, there is no evidence of market share. Nevertheless, I note the following.
9. In paragraph 9 of her statement, Ms. McCracken states that her company set up 'local showrooms' and retail stores in the UK. Locations are given – which extended throughout the UK before the relevant date (see Exhibit AM 8; some 18 stores are listed in the June 2000 PC Direct advertisement listed below). Full address for some of these stores appear in later

evidence (see Exhibit AM 10 for example). Exhibit AM 9 encloses uncorrelated photographs of one or more stores (the Declaration of Ms. Heim (see later) states that these are of the opponent's Bluewater shopping center outlet in Kent). The black and white pattern is used as a livery in all the opponent's stores. The addresses and information on various 'retail partners' – BT, Debenhams and Argos are given as examples – is also provided. However, the nature and extent of the business with these partners is not quantified.

10. In terms of promotion of their business Ms. McCracken freely, and unhelpfully, mixes material that applies to jurisdictions other than the UK or it is unclear about where it applies, and/or the extent of its exposure (see Exhibit AM.2, and below). I will concentrate on the material that unambiguously applies to the United Kingdom.
11. First, there are three advertisements from UK PC magazines in Exhibit AM.2, enclosing photocopies of the front pages of the latter, with the examples appended (which I have assumed came from the editions indicated). Two of the examples are after or on the relevant date (from PC Direct, dated January and June 2001). The others are:

PC Direct, June 2000: contains a seven page advertisement part of which is directed at business customers, promoting PCs, software packages, Internet access and various peripherals. Advertising is directed at consumers in general. A number of Gateway stores are listed. Nearly all the pages of this promotional literature incorporate variations on the black and white pattern mark, used as a background. Trade mark No. 883975 is also freely used, but the marks are always accompanied by the GATEWAY trade name.

PC Magazine, January 2000. Here the black and white pattern mark is not used: Trade mark No. 883975 is, again, present and a mark similar to 1598481 is employed, though the patterning is different, and the GATEWAY name appears on its side. I note a variation on the pattern, consisting of a small 'Saturn' like globe, is also employed, as a reference to the Internet, next to the sign GATEWAY.NET.

12. Other magazines in Exhibit AM 2 are either clearly not for the UK market, or unclearly, might be (see the list of publications halfway through the Exhibit which is, very unhelpfully, not numbered). Some of the documents have no indication on them as to where they were published.
13. Nevertheless, there is a list halfway through Exhibit AM 2 which contains a list of magazines, with 'months and ad names which have been run in the UK'. The publications cited are WINDOWS MAGAZINE, BYTE AND PC WORLD. The adverts, which as far as I can see are not shown, were produced monthly in the years 1988 to 1993, well before the relevant date.
14. Individual adverts were placed in the following publications:

Daily Mail	10.07.00
Times	08.07.00
Telegraph	08.07.00
The Sun	08.07.00

The Independent	07.07.00
The Guardian	07.07.00
The Mirror	07.07.00

Again, the black and white pattern is employed as a background in these adverts, mark number No. 883975 appears, but the sign GATEWAY is the most prominent symbol.

15. Other evidence of promotion are what I take to be invoices or bills referring to advertisements in the UK that took place in 1999 (UK Computing, Scotland in Business), but it is not made clear what these adverts were.

16. Ms. McCracken states:

“In addition to advertising in specialised magazines my company enhanced their profile by press releases (examples of more recent ones of which are attached as Exhibit AM.5); direct press contacts to encourage press reviews of individual computers, either in the relevant country or at launches in Dublin. Over the years, customer newsletters and magazines were issued. Examples of pages from Spotlight, GWK2 GATEWAY and Gateway Business News are attached as Exhibit AM.5A. We further had stands at a number of major exhibitions..’

However, many of the latter were held some time ago, abroad, or both. As for the press releases, their coverage is not made clear. The same is true of the customer magazines. Other methods of advertising include direct mailing of customers (examples of the type of material is provided in Exhibit AM.11); however, no information on the extent of this activity is given. Ms. McCracken also states that her company’s products have been advertised on radio and television in the UK: however there is no evidence of the extent of this, and I do not see how promotion of their products on the radio, aside from verbal references to ‘black and white markings’, would help their case.

17. The opponent claims a presence on the Internet since 1996, Ms. McCracken stating that her company was the first to sell directly from that medium, winning an award in 2000 from PC Magazine (see Exhibit AM7).

18. Also mentioned by Ms. McCracken (paragraph 13) are ‘on-line learning’ packages: Exhibit AM.16 is cited, but I was unable to find the evidence indicated therein.

19. In paragraph 14 of her Declaration, Ms. McCracken describes the opponent’s activities as an Internet Service Provider. In the UK in 2000 there were 60,000 users of this service. Considering the users of the Internet in this country, this seems rather a low number.

20. Ms. McCracken states, in relation to use of the mark:

‘It will be noted that throughout the advertising, literature and packaging my company uses a black on white pattern extensively on its packaging, advertising, in its box logo, merchandising. which are available for example from www.Spot shop.com and on the products themselves. For example every box is patterned and this means that a Gateway delivery can be spotted from some distance away. In addition to the examples already shown, Exhibit AM.14 includes many other examples of this usage. This usage of the black and white pattern as a Trade Mark has been a consistent feature since 1991, and as

will be seen from Exhibit AM.9, the pattern Trade Mark appears almost everywhere including sales desks and throughout the shops. It will further be noted that an extensive range of patterns are used so that the public associate the black and white pattern with my company and its products and services.’

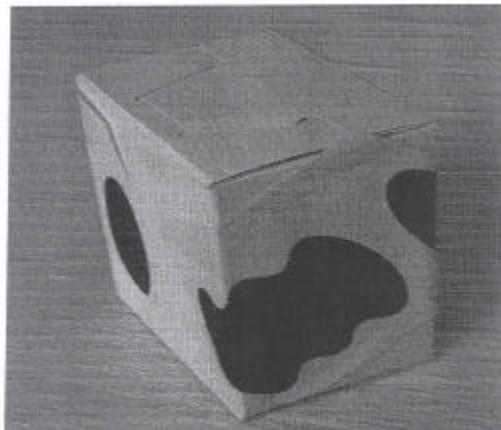
It is clear that the opponent seeks to emphasis their black and white pattern trade mark. A ‘Spotshop’ is mentioned (McCracken, paragraph 2 and Exhibits AM5 and AM.5A), and a website spotshop.com (which sells merchandise – it appears to be American based as all the prices are in US dollars; see Exhibit AM10).

21. I comment further on the nature of the opponent’s evidence in my consideration of s. 5(3), below.
22. The opponent also encloses a Witness Statement sworn by their trade mark attorney, Mr. Brain Kenneth Charles Dunlop. This refers (Exhibit BKCD.1) to a letter dated 3rd April 2001 from the opponent to the applicant which states, *inter alia*:

“Our clients have noted your client’s application and inasmuch as it is simply a stylised i, they have no great objection to it. However, they are concerned that if it were to be, for example, placed on packaging in such a way that it extended around the corners of the packaging, then it would look very similar to our clients well known pattern trade mark. To illustrate this point we enclose some photographs where your client’s mark has indeed been applied to a box.

Our clients have indicated that they would be prepared not to oppose your client’s application, if your clients are prepared to undertake to use the mark as a stand alone logo; not to use it as part of a pattern and to use it only on a single two-dimensional plane.”

23. Mr. Dunlop further includes in this Exhibit a catalogue from the opponent called the ‘Gateway Gear collection’, and is an ‘Employee Catalog’, clearly directed at the US employees. This is dated 2001. Later on in the Exhibit are photocopied pictures of a box with the applicant’s device depicted over more than on face, thus:



I will return to this evidence later on.

Applicant's evidence

24. This appears in the form of a Witness Statement by Yoshitaro Shimanuki, the applicant's Executive Manager of IP. Mr. Shimanuki describes the development and use of his company's mark. It appears to be used as a designation of the applicant's mobile (phone) Internet technology system, more commonly called I-MODE. There is evidence to show that this system is popular in Japan, and is known in other countries of the Far East, and in Europe (Shimanuki, paragraphs 7 and 9), but not in the UK. Of course, none of this material is of particular utility to the applicant in this present case; however, it does show use of their mark as a by-product of this material: it is shown as the 'wavy-I' device (Exhibits YS1 and YS2). By far the more common appellation is I-MODE, which is usually written thus: 'i-mode', though the wavy I is used with the word 'mode', as well but, when the totality of the applicant's evidence is taken into account, rarely. In fact, the assertion from Mr. Shimanuki that the 'i Device mark has also received considerable publicity in major newspapers and magazines throughout the world' is simply not shown by the material he has submitted: for example, Exhibit YS3 do not appear to depict the device at all.
25. The vast majority of Mr. Shimanuki's Statement is made up of submission in the form of criticism of Ms. McCracken's Declaration. I will refer to this as and when it becomes relevant to my Decision. However, I note, in particular, a reference to other users of marks similar to the applicant's in the UK. An example is the citation of a business known as 'Electronic Cow' that seems to provide music software over the Internet downloadable from their web-site. Mr. Shimanuki stated that 'It appears that Electronic Cow has been operating for at least three years and they use various cow spotted patterns and symbols. Their business is also described as 'Friesian splattered audio and midi software'.

Evidence in reply

26. The opponent also encloses a Witness Statement and an Affidavit, the Statement being sworn by Mr. Dunlop, and the Affidavit by Stephanie G. Heim, the opponent's Corporate Assistant Secretary. The former is concerned with the letter I have cited above from Exhibit BKCD.1, and its status as a communication 'Without Prejudice'. This issue was resolved at the hearing.
27. In his Statement Mr. Dunlop goes on to give examples of products (Exhibit BKCD.2) delivered up following legal action by the opponent. He also says that if his clients were aware of the entity referred to by Mr. Shimanuki (see paragraph 25 above), they would have taken action against it; it seems, however, that this business is no longer operational.
28. The Affidavit by Ms. Heim consists of a reply to various submissions made in Mr. Shimanuki's Statement. I will not deal with them here as I regard the majority as almost completely irrelevant to the major course of my decision.

LAW

29. The relevant section of the Act is:

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

(a) ...

(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.

(3) A trade mark which –

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

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

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

(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) ...,

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.”

DECISION

30. There was an issue which arose from Mr. Dunlop’s Statement, pursued in Mr. Shimanuki’s Statement, about ‘Without Prejudice’ correspondence, but any protest from either party evaporated at the hearing, and I will not consider it further.

S. 5(2)(b)

31. In approaching this section I am mindful of the following decisions of the European Court of Justice (ECJ) on this provision (equivalent to Article 4(1)(b) of Directive 89/104/EEC) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel*, paragraph 22;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV*, paragraph 23, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd*, paragraph 27;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV*, paragraph 23;

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV*, paragraph 23;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and *vice versa*; *Canon*, paragraph 17;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel*, paragraph 24;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel*, paragraph 26;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode*, paragraph 41;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon*, paragraph 29.

The opponent's reputation

32. The nature and extent of the reputation of an earlier mark is of significance under s. 5(2)(b) (see point (f) above) and, clearly, under s. 5(3). Having carefully reviewed the opponent's evidence, I cannot come to the conclusion that they are the possessors of well-known marks in the UK: they might be, but have not proved it here.
33. My reservations arise from Ms. McCracken's Declaration – which is the key document for the opponent in this regard – and I find it ill-structured, much of it being simply irrelevant. The Declaration may prove that the opponent is a multinational selling computers to many different countries, but does not show how dominant they are in the United Kingdom. That their sales in the UK are large is not disputed; that their marks and black and white patterning is used in their marketing and packaging is, again, apparent. But it is the extent of this reputation, against a backdrop of the industry in which they operate, that is not made plain. I will give two examples (there are others) of the inefficacy of the opponent's evidence.
34. In the last paragraph of her Declaration, Ms. McCracken cites (Exhibit AM.16) a book entitled 'America's Greatest Brands', which describes the opponent's black and white mark as 'one of the world's most recognisable brands.' I am inclined to think that this citation rather sums up

the nature of much of the material they have provided: it comes from an American publication, might reflect a world view (as seen from that country), but reveals less than one might first think about the perception of the mark in the UK.

35. Another example that proves little, is Ms. McCracken's reference, in Exhibit AM.15 to use of a black and white pattern in a BBC News report. First, it would not be unusual for a media graphic to use a symbol that is representative of its subject matter, well known or not. Next, the report is from the BBC's 'On-line North America business reporter' and might reflect the awareness of the symbol in that country. And, finally, the second paragraph of the report explains where the pattern is from: hardly likely if knowledge of it was widespread in the UK.
36. Turning to the evidence that I do regard as relevant, though it is clear that the opponent's marks are used on their products and in promotion, when they are, it is always with the name of the company, Gateway. Of their registrations, it is the spotted box logo (CTM No.883975) that repeatedly appears in their literature. If CTM 1598648 – the pattern mark – is not exactly reproduced in evidence, there are many examples that are, at least, similar to it; and it is clear from the 'Corporate Identity' advice in Exhibit AM1 that many variations on the 'cow spots' are allowed. CTM 1598481 is described in its registration as '..in the form of a box or container in which the goods are packed' and it is apparent from Ms. McCracken's evidence that this is how the opponent's products are delivered to the public (see McCracken , paragraph 15). In short, such use as the opponent has encompasses use of CMT 883975 (the 'box logo' mark), CTM 1598481 (the packaging mark) and variations on CTM 1598648 (the pattern mark). But always with the 'Gateway' name. An example of this for CMT 883975 and CTM 1598481 appears in Exhibit AM.2, about ¾s of the way through this unhelpfully unnumbered exhibit, in the form of a document entitled 'Het onderwijs PC-Privé Project', which I take to be for the Dutch market, but illustrates the point about use of the Gateway name.
37. Then there is the opponent's own advice on the use of their brands, given in Exhibit AM1. This states, *inter alia*:

“Cow Spots are an important part of the Gateway 2000 brand image, representing the company's Midwestern, agricultural roots and the Waitt family's four-generation cattle business. They are our strongest brand icon and should be used in some way in nearly every communication piece we produce. We may get tired of Cow Spots, but our audience do not have the same exposure to them. However, we need to be careful not to overdo it with cow spots. It's easy to use too many, and too much of anything gets tiresome quickly. *It's best to use cow spots as an accent rather than the primary design element*'. (My emphasis).

There is no doubt that the opponent regards 'Cow Spots' as a very important 'brand icon' ('their strongest'), but it also made clear that they are 'only one element of the Gateway Corporate Identity Program' which, from the evidence, centers on the 'Gateway' name, and the spotted box logo – the latter never appearing without the former.

38. Of course, such use as they have of their marks will still create recognition of the opponent's brands amongst the PC buying public, but consumers will tend to look for the company name to confirm that the products so branded are produced by the opponent. There will be an expectation of appearance of the Gateway name, as it is this sign that is the opponent's consistent mark of trade.

39. I have thus come to the conclusion that the opponent has a reputation under its marks in the UK: but they have not proved that they are well known enough to be regarded as having the status of a household name in the sense required for an enhanced distinctiveness under s. 5(2)(b) (see *DUONEBS* Trade Mark: Appointed Person (BL O/048/01), paragraph 14). This finding actually makes no difference to the course of my decision: as will be seen, the crucial issue, here, is the similarity of the marks in suit, which I discuss below.

Similarity of goods

40. These are set out at the beginning of this decision and in the Annex below. I will not be carrying out a detailed analysis of the individual goods at issue: suffice it to state that there are goods in the application in Classes 9 and 42 that are identical and/or similar to those in the opponent's registrations. I do not believe that this view was opposed by anyone at the hearing.

The Average Consumer

41. All of us use and are likely to buy computers. I take the average consumer to be the public at large. And, as is clear from the opponent's evidence, business customers who are also in the market for PCs.

The similarity of the marks

42. The earlier marks, that is, the opponent's CTMs, are described thus on their registrations:

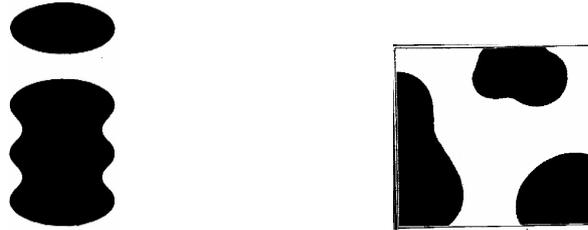
CTM 883975: 'The mark consists in a stylised representation of a black and white cow-spotted-box';

CTM 1598481: 'The mark is in the form of a box or container in which the goods are packed'; and

CTM 1598648: 'The mark in the square comprises a pattern or one repeat of a pattern as applied to the goods, their packaging, literature, labels, shop fronts and/or shop furnishings'

The first two marks are clearly intended to be limited to depictions of boxes; CTM 883975 is a logo, but is a stylised version of a box in which the opponent's products (computers, computer peripherals and computer software) might be packaged, and CTM 1598481 is a 3-dimensional representation of the packaging itself. CTM 883975 might appear on CTM 1598481, but never the other way round. I believe, that these are furthest from the mark in suit as, conceptually, they are suggestive of a 3-dimensional object. Despite submissions to the contrary by Mr. Tritton – who thought that because CTM 1598648 was a pattern mark and his client's was not, this worked against the opponent – I consider that this is their best case.

43. And I do not believe that it is a very strong case. I have placed the marks side by side:



44. Though it is clear from the case law that consumers do not have the advantage of such a comparison (see point (b), paragraph 31 above) – and allowing for imperfect recollection – I think even the opponent would have to admit that that most people would struggle to find any confusing similarity between these marks at all. The only resemblance they seem to possess is the black colour and a curvilinear boarder. I think that the majority of consumers would see the applicant’s marks as a letter ‘i’ and the opponent’s as a pattern of black blobs.
45. In fact, as Mr. Tritton pointed out in his skeleton argument and at the hearing, even the opponent seemed to implicitly accept that confusion is unlikely. – See their letter dated 3rd April 2001 (Exhibit BKCD; paragraph 22 above): ‘Our clients have noted your client’s application and inasmuch as it is simply a stylised i, they have no great objection to it.’
46. Nevertheless, this is not the end of the matter, as the opponent’s contend that the presentation of the mark as shown above (see paragraph 23, which I will call the ‘box presentation’) must be regarded as ‘normal and fair use’. See Mr. Dunlop’s view on this quoted below (paragraph 49).
47. So what is normal and fair use? As a general rule, I think that ‘normal and fair use’ must be drawn pretty narrowly. Examples might be a word mark in unimaginatively different type faces. Or in different colours. Manipulation of a mark is clearly out. As Mr. Tritton stated, ‘typical abnormal use’ is plainly excluded, though such may occur in the marketplace.
48. Turning to the guidance from the case law, as far as I am able to determine, that relevant to this issue arises from judgments based on infringement under s. 10 of the Act. The term normal and fair use, in relation to the 1994 legislation, was used by Jacob J. in *Origins Natural Resources* [1995] FSR 280, where he states:

“Section 10 of the Trade Marks Act presupposes that the plaintiff’s mark is in use or will come into use. It requires the court to assume the mark of the plaintiff is used in a normal and fair manner in relation to the goods for which it is registered and then to assess a likelihood of confusion in relation to the way the defendant uses its mark, discounting external added matter or circumstances. The comparison is mark for mark.”

In [2000] F.S.R. 767 *Premier Brands UK Ltd v. Typhoon Europe Ltd* (page 779), Neuberger J. stated:

“In my judgment, in the absence of argument or evidence to the contrary, the way in which the proprietor actually uses the mark can be said, at the very least *prima facie*, to be the paradigm case of its use in a normal and fair manner.”

49. Again, this was a s. 10 case. However, the same principle was followed in *Open Country* [2000] RPC 477, though this was an opposition conducted under the 1938 Act. Mr. Dunlop commented thus:

“Mr. Tritton says it is further established when considering the likelihood of confusion under 5(2) one takes into account fair and normal use of the opponent’s and applicant’s marks. He then quotes *British Sugar* and *Origins*, which, of course, are not 5(2) cases. They are section 10. Whilst one might look to decisions under section 10 for some assistance, you have to be a bit careful because there you are looking at an actual use of the mark because it is infringement. You are then saying, ‘Is this actual fair and normal use?’ In this case the use of the applicant’s mark is irrelevant because it has not taken place in the UK. It is only one of the fair and normal uses. There are a range of possible fair and normal uses of any trade mark. That is why we are in this dilemma. They have a fair and normal use which I indicated at the very beginning we would not object to. What we object to is the other possible fair and normal uses.”

50. I do not believe that these s. 10 cases can be dismissed for the reasons given. First, I do not see that the approach established in s. 10 must not be applied to s. 5 because infringement cases deal with the actual use of the defendant’s mark. In many s. 5 oppositions, there has also been actual use as well, and it is logical that this might be indicative of normal and fair use – in that it represents what an applicant had in mind in applying for a mark in a particular form. Further, I see nothing in those cases suggesting that the use in question must be limited to the UK.
51. Turning to the applicant’s use of their mark, it is limited, but clearly highlights the alphabetical significance as the letter ‘i’. See examples in Exhibit YS1, where the mark is used with the word ‘mode’. As stated above, the applicant’s mobile (phone) Internet technology system is called I-MODE, where the ‘I’ (presumably) stands for ‘internet’ or ‘information’. In the context of this observation, it is rather unlikely that the applicants would wish to even consider presenting their mark in such a way that would obscure this allusion.
52. As for Mr. Dunlop’s view that the ‘box presentation’ is a valid example of normal and fair use, I do not accept that this can be the case. It is no doubt possible to present many marks, or part thereof, in such a way that might make it look like another mark. The vast majority of such presentations (I expect) would not be a reasonable portrayal – it would be manipulation. I cannot help but feel that this is a particular example of that kind.
53. Before I leave this point, Mr. Dunlop also appeared to suggest that because the applicant’s would not give the undertaking required by the letter in Exhibit BKCD.1, that this somehow insinuated that they accepted the ‘box presentation’ as a normal and fair use of their mark. His logic appeared to be thus: because the applicant would not eschew use of the ‘box presentation’, it therefore cannot be excluded from their repertoire of possible presentations of their applied for mark, and thus is included in ‘normal and fair use’.
54. I do not see that this follows – the chain of logic breaks down (at least) at the second link. It does not follow that because someone refuses to state that will not do a certain thing, that they intend to do it. They might feel that the ‘thing’ in question is so unfeasible that such an undertaking is unnecessary; indeed, to give one might even suggest that it was required. As Mr. Tritton stated:

“It is rather like giving somebody a knife and saying, “Please undertake to me that you will not kill somebody with it?” I say, “What an impudent suggestion.” They say, “That means you are going to kill somebody with it.” It is sort of manufacturing a threat out of thin air and then saying because you have not undertaken not to carry out that threat, one must assume there is a threat.”

55. Finally, the case law is clear that marks must be compared as a whole (see *Sabel* paragraph 23); the selective edit of the applicant’s mark carried out by the opponent seems to fly in the face of this principle.
56. The short conclusion of this section is that there I am unable to consider the ‘box presentation’ as a normalised and reasonable use of the applicant’s mark. And, outside this, comparison of the marks in suit shows little or no similarity between them.

Likelihood of confusion

57. In the context of this finding, there is clearly no likelihood of confusion in this case. Even if I am wrong about the lack of likeness between the marks, I do not believe, despite the complete identity of certain of the goods in the respective parties specifications, that any similarity that might be found could amount to a confusing similarity. The opposition under s. 5(2)(b) therefore fails.

S. 5(3)

58. I do not believe my conclusion under this section can be any different to that under the last section. This follows from the submission made by Mr. Dunlop at the hearing:

“If we have the reputation, if you are satisfied that there would be unfair advantage taken under this fair and normal use, then for dissimilar goods or services 5(3) applies ...”

59. Of course, the normal and fair use he refers to is the ‘box presentation’ cited above, and I have, already, rejected this as a proposition. As a consequence, I am left with the marks as depicted in the application and registrations. And I have concluded that these are not similar. This really ‘finishes off’ this ground as well. Even if the marks were possessive of enough similarity to qualify for consideration under this section – and they had the necessary level of reputation (see *General Motors Corp v Yplon S.A.* [2000] RPC 572, paragraph 26, i.e. known by a significant part of the public concerned), the question would then arise as to whether use of the mark applied for would have an adverse effect upon the distinctiveness or repute of the opponents’ earlier marks, or gain an unfair advantage there from. In this regard, Mr. Dunlop referred to the mistaken purchase of software or peripherals, which would not be compatible with Gateway products, thereby casting aspersions on his client’s reputation. This requires confusion at the point of purchase. As I have found this to be unlikely, the scenario suggested by Mr. Dunlop is something of a non-starter.
60. Of course, confusion is not required by s. 5(3) (*Daimler Chrysler v Alavi (Merc)* [2001] RPC 42). And it appears that association is not enough (*Premier Brands UK Limited v Typhoon Europe Limited* 2000 FSR 767). For the detriment or unfair advantage to operate ‘..there must be some sort of connection formed (I avoid the word association) between the sign used by the defendant and the mark and its associated reputation’ (paragraph 86 in *Merc*). I just cannot see how such a connection would be made between marks that have the differences I

discussed in paragraphs 42 to 45 above. This ground also fails.

S. 5(4)

61. The law of passing off is a common law tort, the modern, and accepted elements of which are set in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341, at page 406:

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

62. There are thus three fundamental hurdles which a claimant must clear if they are to prove passing off on behalf of a defendant - that, at the relevant date (the date of application: 2nd January 2001), (i) the claimant 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/services; and (iii) that such confusion is likely to cause real damage to the claimants goodwill (see Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] 14 RPC 455 in which he gave a summary of the law of passing off).
63. The opponent’s goodwill extends from their trade in the UK, for which their brands are ciphers. Thus use of the latter is compared, in a passing off case under the Act, with the notional use of the sign applied for. Again, this excludes the ‘box presentation’ as discussed above.
64. I have no doubt that the opponent is the possessor of a substantial goodwill under their marks in the UK. I believe that the indications emblematic of this goodwill extend beyond those registered: the opponent employs a number of variations of the ‘cow-spot’ motif. Nevertheless, none of these are, in my view, close enough to the applicant’s mark that products carrying the latter sign – even when identical to those of the opponent’s – might be misrepresented as the opponent’s products. This ground also fails, and the opposition fails.

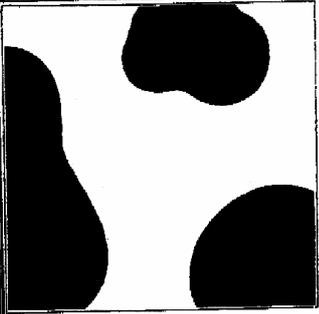
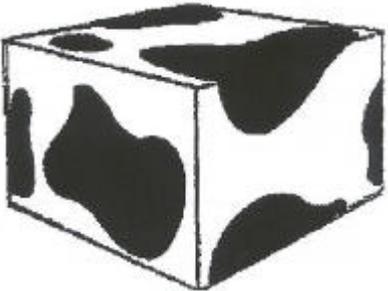
COSTS

65. I see no reason to make a costs award in excess of the usual scale. Nevertheless, this still requires the opponent to acknowledge the applicant’s success by paying them £2000. This 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 6th Day of October 2003.

**Dr W J Trott
Principal Hearing Officer
For the Registrar**

ANNEX

Mark	Number	Application Date	Goods/services: Classes
	883975	22/07/2000	Class 9: Computers, computer accessories and computer peripherals.
	1598648	07/04/2000	<p>Class 9: Computer, computer peripherals and computer software.</p> <p>Class 35: Retail services relating to computers, computer software and computer peripherals and the demonstration of those products; advertising by mail order and on the Internet and processing of orders received by mail order or via the Internet.</p>
	1598481	07/04/2000	Class 9: Computers, computer peripherals and computer software.