

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2068253
IN THE NAME OF KABUSHIKI KAISHA NAMCO (NAMCO LTD)**

AND

**IN THE MATTER OF OPPOSITION No. 45735
BY THE EDGE INTERACTIVE MEDIA INC
AND THE EDGE INTERACTIVE MEDIA LTD**

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in the name of Kabushiki Kaisha Namco (Namco Ltd)**

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and The Edge Interactive Media Ltd**

BACKGROUND

1. On 18 April 1996 Kabushiki Kaisha Namco (Namco Ltd) of Japan, applied to register the trade mark SOULEGE in respect of the following goods:

Class: 9

Coin-operated, coin or counter freed amusement machines, video game machines, video game machine cases, printed circuit boards for video game machines, all for commercial use; video game machines for domestic use including for personal computers; software; magnetic, optical or laser tapes, cards, discs and ROM cartridges all bearing encoded video game programs; records, encoded magnetic cards, sheets and tapes, encoded compact discs; pre-recorded video discs and tapes; parts and fittings for all the aforementioned goods.

Class: 28

Games; hand-held units for playing electronic games; game machines; playthings; toys.

2. The application for registration was subsequently accepted and published and on 16 October Notice of opposition was filed by the Edge Interactive Media Inc of California, United States of America and the Edge Interactive Media Ltd of Oxfordshire, United Kingdom, as joint opponents. Though the statement of grounds is headed up for an opposition based upon the Trade Marks Act 1938, which has now been repealed, there is sufficient in it (bearing in mind that this opposition was lodged well before the Trade Marks Registry started to examine pleadings) to deduce that the opposition was based upon the following grounds:

- (i) under the provisions of Section 3(1), (b),(c) and (d) in that the trade mark was devoid of any distinctive character or consists of a sign used in trade to indicate kind, quality etc. or consists exclusively of a sign which has become customary in the current language or established practices of the trade;
- (ii) under Section 3(6) in that the trade mark was applied for in bad faith and that

the applicants do not have any intention to use the trade mark on the goods and services covered by the application;

- (iii) under Section 5(2)(b) in that the opponents have earlier protected trade marks which are similar to the trade mark sought to be registered by the applicants and which are protected for the same or similar goods as those covered by the application;
- (iv) under Section 5(4)(a) in that the opponents trade marks have acquired common law rights such as to be able to prevent the use by the applicants of their trade mark under the common law tort of passing off.

3. Both sides submitted evidence and the matter came to be heard on 27 February where the applicants were represented by Mr Roger Grimshaw of Mewburn Ellis their Trade Mark Attorney. The opponents were not represented at the hearing. I have, however, taken into account all of the material on file which the opponents have provided in the course of these proceedings in reaching my decision below.

Opponents evidence

4. This consists of four statutory declarations by Dr Tim Langdell, who is President and Chief Executive Officer of the Edge Interactive Media Inc and Managing Director of the Edge Interactive Media Ltd. He provides some background information as to the basis of this dispute and the contacts which he sought to make with the applicants. In that connection he comments on the fact that the applicants are now using in America the trade mark SOULBLADE for a game they originally launched under the trade mark SOULEEDGE. He exhibits copies of registration certificates in respect of trade mark Nos. 1562099 and 1512713 in respect of the trade mark EDGE in Classes 9 and 16, details of which are at Annex A. He also states that revenues associated with the sale in the United Kingdom of goods bearing trade marks EDGE or THE EDGE, or other related 'Edge' trade marks since 1983 (either directly by the opponents or by their predecessors in business) Softek (or any licensees) are estimated to be £25 million. Dr Langdell also provides examples of the way in which the trade marks have been used. He also claims to have used the specific trade mark "SOULEEDGE" in the United Kingdom and in that connection provides details of sales of a game called Souledge which was launched in 1988 and which, he says, remains in the companies active catalogue of products for sale. The evidence of use of that game is dated Spring 1988, December 1990 and there are some invoices, dated January 7 1992 and August 28 1991.

5. Dr Langdell goes on to state that there have been numerous reports of confusion as between the applicants EDGE marks and SOULEEDGE. Dr Langdell states that in the period 1994 to 1997 the turnover in connection with the opponents 'Edge' and SOULEEDGE trade marks used on video and computer games was approximately £3.7 million pounds and that in the years from 1984 to 1994 the annual turnover was never less than £300,000.

Applicants evidence

6. This consists of a declaration by Yumiko Sugimoto, a Statutory Declaration by Akira Aoyagi, a declaration by David William Lake, and two Statutory Declarations by Roger Stuart Grimshaw. These declarations comment upon the relationship between the applicants and the opponents, state that the applicants have used the trade mark SOULEEDGE in the United Kingdom (and elsewhere), to market coin operated game machines since 1996 and that in conjunction with Sony Computer Entertainment have developed CD-Rom software for video game machines for domestic use, based upon the company's coin operated arcade game SOULEEDGE. The use of the trade mark SOULBLADE in the United States, as opposed to the trade mark SOULEEDGE, is explained by the fact that whilst Namco did not and never have accepted the claims made by the opponents about infringement of their rights it was felt advisable to avoid potential complications and thus the trade mark was changed from SOULEEDGE to SOULBLADE. The sales of the video game machines bearing the trade mark SOULEEDGE have amounted to £1.3 million in the period 1995 to 1997. The particular game is described as being a heavily themed all action fighting game which is set in the middle of the fifteenth century; the title takes its name from "the invincible sword which guides fighters throughout the world on their fatal quest".

7. Though there has been a great deal of material filed by both sides in these proceedings, and which I have read, the summary provided above together with specific references I make below are those facts and information which I consider to be relevant to these proceedings.

DECISION

8. I deal first with the grounds of opposition based upon Section 3. The relevant provisions state:

"3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:"

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

9. First of all, I do not consider that any evidence has been filed by the opponents in support

of the allegation that the trade mark in suit here fails to satisfy those provisions of Section 3 of the Act as they allege. There is no evidence that the trade mark in suit is devoid of any distinctive character; consists of a sign or indications which serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or of rendering of services or other characteristics of the goods; or that the trade mark consists exclusively of a sign or indication which has become customary in the current language of the trade. Moreover, there is no evidence that the trade mark was applied for in bad faith. The fact that the applicants admit to having changed the name of one of their products in the United States from SOULEEDGE to SOULBLADE because of possible 'complications' between themselves and the opponents is not determinative. Not least, because we are dealing with circumstances in another market and I note that in the United Kingdom the applicants claim to have been using the trademark SOULEEDGE prior to the date of application for registration and thus the circumstances in the two markets could be different. Having regard to the decided authority in this area, *Gromax Plasticulture Ltd v Don Low Nonwovens Ltd* [1999] RPC 367, I do not consider that the applicants in making this application have demonstrated actions which fall short of those normally accepted in commerce. Thus the grounds of objection under Section 3(6) as well as those under the provisions of Section 3(1) are dismissed.

10. I go on to consider the ground of objection based upon Section 5(2)(b) of the Act which states:

“(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.”

11. In approaching the ground based upon Section 5(2)(b) I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

It is clear from these cases that:-

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, who is deemed to be reasonably well informed and reasonably

circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* paragraph 27;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v. Puma AG*, paragraph 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 v. Puma AG*, 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 Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v. Puma AG*, paragraph 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 BV v. Puma AG*, 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 CV v. Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29.

12. Mr Grimshaw, for the applicants, accepted, that insofar as his clients application was concerned it covered the same or similar goods as the applicants earlier registration in Class 9. He was, I think, right to do so bearing in mind the test set out by Mr Justice Jacob in *British Sugar Plc v James Robertson & Sons* [1996] RPC 281 and which was endorsed by the Court of Justice in *Canon*. I believe that the applicants goods in Class 9 and Class 28 are the same or similar to those of the opponents earlier registration No. 1512713 in Class 9. However, I do not consider the applicants' registration for the trade mark EDGE in Class 16 to be in respect of an earlier right which is relevant here. The respective goods are different.

13. The applicants trade mark is SOULEEDGE, the opponents trade marks are EDGE. Thus, the applicants' trade mark as its last four letters, encompasses the whole of the opponents'

trade mark. However, when judged through the eyes of the average consumer who is reasonably well informed and circumspect, as well as observant, and does not invariably have the opportunity to compare the respective marks side by side but must rely upon imperfect recollection I do not consider that the respective trade marks are similar. This is because trade marks are usually perceived as a whole and the various details are not analysed. Thus the authorities make clear that oral and conceptual similarities of the respective trade marks have to be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive dominant components. Even though, the applicants' trade mark encompasses the whole of the opponents' trade mark I believe that the addition of the term SOUL to the applicants' trade mark, particularly in its placing at the beginning of the trade mark, means that any similarity between the two is significantly diminished. This is so, particularly when taking into account the way in which the trade marks are used, which would be predominantly visually, on video games or video games machines.

14. However, that is not the end of the matter because I must take account of the distinctive character of the earlier trade mark and its reputation in determining the similarity between the respective trade marks. In that regard, I believe that the opponents' trade mark EDGE is inherently distinctive for the goods covered by the relevant earlier registration. But I am not satisfied that it has an enhanced reputation based upon its use. This is because, though I have evidence of earlier sales which amount to considerable sums of money, I am given no breakdown as to the use of the trade mark EDGE on its own at any stage. The figures I am given are for EDGE marks as a whole or EDGE and SOULEDGE trade marks. Moreover, the information is not put into context. The market for video games I should imagine is very large and therefore the figures I am given do not, it seems to me, give me an indication of whether the sums involved here are significant or otherwise and therefore not sufficient to indicate whether they are enough to give the trade mark EDGE an enhanced reputation in the particular field in which it is used.

15. In *Raleigh International Trade Mark* [2001] RPC 11 page 202 Geoffrey Hobbs QC, sitting as the Appointed Person, said:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods or services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be to determine the net effect of the given similarities and difference.”

16. Taking all of the above into account it seems to me that though the respective goods are the same or similar the respective trade marks are not similar and the registration of the trade mark in suit is not likely to lead to the likelihood of confusion on the part of the public, which might include the likelihood of association with the opponents' trade mark. Thus the grounds of opposition based upon Section 5(2)(b) is dismissed.

17. I go on to consider the ground of objection based upon Section 5(4)(a). The states:

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

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

18. Mr Geoffrey Hobbs QC set out the basis of an action for passing off in *WILD CHILD Trade Mark* (1998) RPC 455:

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

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

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

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

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

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

- (a) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (b) that members of that class will mistakenly infer from the defendant's use of a

name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

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

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

20. As I have already found that the respective trade marks are not similar it follows that the respective signs for consideration under this head are not likely to lead to misrepresentation. Further, it seems to me that the opponents have not fully established their reputation or goodwill in the United Kingdom. For the reasons outlined above, I do not consider that the figures provided by the opponents in terms of sales of their products in the jurisdiction can be put into context sufficiently to provide for a finding that they have a reputation or goodwill on which to found an action for passing off. In those circumstances the ground of opposition based upon Section 5(4)(a) is also dismissed.

21. The opposition is dismissed in its entirety. In the event of such a finding the opponents asked for an award of costs off the scale in view of the opponents' actions in delaying matters at every turn by either claiming they had not received correspondence, applying for hearings at which they did not appear, provide skeleton arguments and generally putting the opponent to a lot of expense and bother. Whilst it is certainly true that the opponents have repeatedly claimed not to have received correspondence or to have claimed to have sent documents and correspondence which have not been received either by the opponent or the Trade Marks Registry, the applicants themselves have used the Trade Marks Rules to their advantage and also sought the exercise of the Registrar's discretion from time to time. In all of the

circumstances, taking into account the preliminary hearings that have occurred in these proceedings, the evidence filed and the substantive hearing itself I order the opponent to pay to the applicant the sum of £1000, this sum 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 14TH day of August 2002

**M KNIGHT
For the Registrar
the Comptroller-General**

Application No.	Mark	Class	Specification
1562099	EDGE	16	Printed matter, magazines, newspapers, periodicals, stationery, posters, packaging materials, booklets, instructional or teaching materials, all relating to computer games, video games, interactive media, interactive television, interactive video, hand-held games and to related devices and goods, all pertaining to entertainment and education; all included in Class 16.
1512713	EDGE	09	Entertainment software; video games, computer games, and interactive video media; all included in Class 9.