

O-108-14

CONSOLIDATED PROCEEDINGS

**IN THE MATTER OF REGISTRATION NO. 2578191
OF THE TRADE MARK**

OMNILIVE

AND

**IN THE MATTER OF REGISTRATION NO. 2447961
OF THE TRADE MARK**

OMNILINE

**BOTH IN CLASS 9
BOTH IN THE NAME OF MARTIN AUDIO LIMITED**

AND

**TWO APPLICATIONS FOR
DECLARATIONS OF INVALIDITY THERETO
UNDER NOS. 84506 AND 84507
BY HARMAN INTERNATIONAL INDUSTRIES LIMITED**

Background and pleadings

1. Martin Audio Limited (“Martin”) is the proprietor of trade mark registration numbers 2447961 and 2578191, for the marks OmniLine and OMNILIVE, respectively. The marks were applied for on 28 February 2007 and 12 April 2011, respectively, and their respective registration processes were completed on 31 August 2007 and 8 July 2011. OmniLine is registered in class 9 for:

Loudspeakers, loudspeaker housings, loudspeaker systems and control equipment therefor; electronic controllers for loudspeakers; amplifiers; crossover networks; apparatus for recording, transmission or reproduction of sound or images; apparatus for amplifying, reinforcing, mixing, modifying, controlling and disseminating sound; computer software for use in conjunction with any of the foregoing apparatus and equipment; parts and fittings for all the aforesaid goods.

OMNILIVE is registered in class 9 for:

Loudspeakers; cabinets adapted for use with loudspeakers; loudspeaker housings, loudspeaker systems, control apparatus and equipment therefor; electronic controllers for loudspeakers; amplifiers; crossover networks; apparatus and instruments for recording, transmission or reproduction of sound and/or images; microphones; sound reverberation units; apparatus for amplifying, reinforcing mixing, modifying, controlling and disseminating sound; computer software for use in conjunction with any of the foregoing apparatus and equipment; parts and fittings for all the aforementioned goods.

2. On 3 August 2012, Harman International Industries Ltd (“Harman”) filed an application for a declaration of invalidity against each registration under section 47(2) of the Trade Marks Act 1994 (“the Act”) in respect of all the registered goods. Harman claims that the registrations should be cancelled as they were registered in contravention of sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

3. Sections 5(2)(b) and 5(3) state that:

“(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 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, 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 or international trade

mark (EC), 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. Harman bases its claims under these sections upon the following goods of its earlier Community Trade Mark (number 1976372) OMNIDRIVE, which completed its registration process on 12 December 2001:

Audio apparatus and instruments; apparatus for recording, transmission or reproduction of sound; apparatus for altering the tonal characteristics of an audio signal; audio equalizers; computer software; apparatus and instruments, all for recording, producing, transmitting, editing or processing audio signals; audio processing apparatus; high fidelity sound equipment; loudspeaker systems; signal processing equipment, digital signal processing equipment; sound processors, integrated sound systems; audio compressors and processors; equalisers; audio crossovers; loudspeaker management systems; parts and fittings for all the aforesaid goods.

5. Harman claims that the registered marks contravene section 5(2)(b) of the Act because they are similar to the earlier mark and are registered for identical or similar goods, which would lead to a likelihood of confusion. Harman claims that its mark is distinctive per se and has an enhanced level of distinctive character through its use. Harman’s claim under section 5(3) is that, because of the registered marks’ similarity to its own earlier mark which has a reputation, use of the registrations will take unfair advantage of the earlier mark by free-riding upon the earlier mark’s success. Further, their use will dilute and tarnish the distinctive character or repute of Harman’s mark.

6. Section 5(4)(a) states that:

“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

(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.”

Harman bases this ground upon its sign OMNIDRIVE. It claims the sign was first used in the UK in August 1994 in relation to goods which correspond to those it relies upon under sections 5(2)(b) and 5(3) of the Act. Harman claims that use of the registered marks is liable to be prevented under the law of passing off. Use of the marks would constitute misrepresentation leading to damage, in the form of erosion or loss of goodwill and potential loss of sales.

7. Martin filed counterstatements putting Harman to proof of use, reputation and goodwill and denying all of the grounds brought against its registrations. At this point, the proceedings were consolidated.

8. I heard oral arguments at a hearing held on 5 December 2013, by video conference. Harman was represented by Mr Benet Brandreth, of Counsel, instructed by Boulton Wade Tennant. Martin was represented by Ms Iona Berkeley, of Counsel, instructed by Mathys & Squire LLP.

Material dates

9. The relevant part of Section 47 of the Act states:

“47.—

.....

(2) The registration of a trade mark may be declared invalid on the ground—

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless—

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if—

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes—

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

.....

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

10. The material dates for proof of genuine use of Harman’s earlier mark is one issue; the other is the material dates relating to the invalidation actions.

11. Harman’s earlier mark completed its registration procedure on 12 December 2001. As both applications for a declaration of invalidity were made on 3 August 2012, over five years since the registration of Harman’s mark, it is subject to the proof of use provisions set out in sub-sections 2A to 2E of section 47. The material dates for considering proof of use of Harman’s mark span the five year period ending on the date of the applications for a declaration of invalidity: 4 August 2007 to 3 August 2012.

12. The date of Martin’s applications for registration, 28 February 2007 and 12 April 2011, are the relevant dates for assessing the grounds for invalidity under sections 5(2)(b) and 5(3) of the Act. These are also the relevant dates in relation to section 5(4)(a): (see the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS O/410/11*). However, where the applicant (for registration) has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. If Martin was not passing off when it commenced trading under the signs, a continuation of the same trade under the same signs will not amount to passing off at the relevant date. Martin could show evidence which could establish that it was the senior user and that the existing

position should not be disturbed and so its use would not be liable to be prevented by the law of passing-off¹.

Evidence

13. Harman's evidence comes from Jay Woolley, who is Harman's marketing director; from David Marshall, managing director of Sound Technology Limited; from David Kay, director of Adlib Audio Limited; and from Felicity Hide, Harman's trade mark attorney in these proceedings (from the firm Boulton Watt Tennant).

14. Martin's evidence comes from Robert Hawley, its trade mark attorney in these proceedings (from Mathys & Squire LLP).

Jay Woolley's evidence

15. Mr Woolley's witness statement is dated 22 February 2013. He states that OMNIDRIVE is used and marketed by Harman, as a parent company, for the brands BSS AUDIO, BSS and Crown. BSS and Crown were acquired by Harman in 1988 and 2002. Exhibit JW1 is an undated manual which records that the "FDS-366T Omnidrive was designed and developed by BSS Audio, Hertfordshire, UK". It says:

"If you are familiar with the FDS-355 Omnidrive then look at the extra benefits that the FDS-366T brings, an extra output channel, dynamic equalisation, Thiele crossover shape and 96kHz audio quality to start with!"

The warranty information address given in the manual is a UK address. Mr Woolley states that the OMNIDRIVE mark has also been incorporated into audio products sold under the brand Crown of Harman. To illustrate, he exhibits² an article referring to such use and a print from the Crown website from 2009, using the WayBack Machine. A Crown by Harman brochure in exhibit JW13 refers to the BSS Omnidrive DSP. This has a copyright date of 2012. Prints from the WayBack Machine from 2008 show the FDS-366T OMNIDRIVE COMPACT plus under the heading "Electronic Crossovers & Loudspeaker Management" on the BSS website.

16. Mr Woolley states that use of OMNIDRIVE began in the UK in 1994. The mark is used on the goods themselves, on the packaging and in promotional material. An example, from exhibit JW10, is:



¹ See, for instance: *W.S. Foster & Son Limited v. Brooks Brothers UK Limited* [2013] EWPC 18 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

² JW2

BSS catalogues are shown in exhibit JW12; although undated, Mr Woolley states that they show the mark during the relevant period. I note that BSS's Hertfordshire address appears on page 9 of this exhibit. Mr Woolley states that the mark has always been used in this way. The mark is used in relation to loudspeaker management controllers, with a similar target market to Martin, according to Mr Woolley. Mr Woolley explains that his company's target market and customers in the UK are highly specialised and consists of companies in the fields of professional performance, installation, broadcasting and recording. Mr Woolley states that, based on his knowledge of the industry, his company's share of the UK market is 10%: he explains that references to "the company" mean the OMNIDRIVE mark and its use by the BSS and Crown business units.

17. Exhibit JW3 includes articles from The Stage magazine and ETnow³ regarding use of the OMNIDRIVE mark on tours by David Bowie and Metallica. The Bowie tour article in ETnow is dated 5 January 2004 and refers to the "FDS-366T Omnidrive Compact Plus" processor. The Stage article is dated 7 April 2005. It includes:

"Neale is using a Wireless Tablet line, a device pioneered by Adlib on David Bowie's Reality tour and the latest BSS control software to remote adjust the Omnidrive processors.

This is particularly useful for the larger venues and allows him to walk around during the gig and soundcheck and can adjust the system as necessary from the remote."

An article in The Stage dated May 2005 says:

"For the smaller venues, it will be ground stacked. Subs are Nexo CD18s six per side in the larger rooms a popular sub to combine with VerTec 4889s. The system is driven by Camco Vortex 6 amps, while system processing through BSS Omnidrive compacts with the V1T Thiele crossover preset, a combination first pioneered with VerTec by SSE during last year's Metallica tour".

These articles date from before the five year period in question. An article from DigitalProductionME.com dated 26 May 2011⁴ refers to the OMNIDRIVE mark in use on Justin Bieber's "My World" tour in May 2011, within the relevant period:

"The system was a mix of VT4888 and powered VT4888DP-DA units equipped with JBL DrivePack technology and JBL's new DPDA (Digital Audio) input modules with BSS Omnidrive HD processing. To establish a significant low-frequency presence for the show, Soundcheck's system design was based on a nearly 1:1 ratio of subwoofers to full-range speakers in the main stage system."

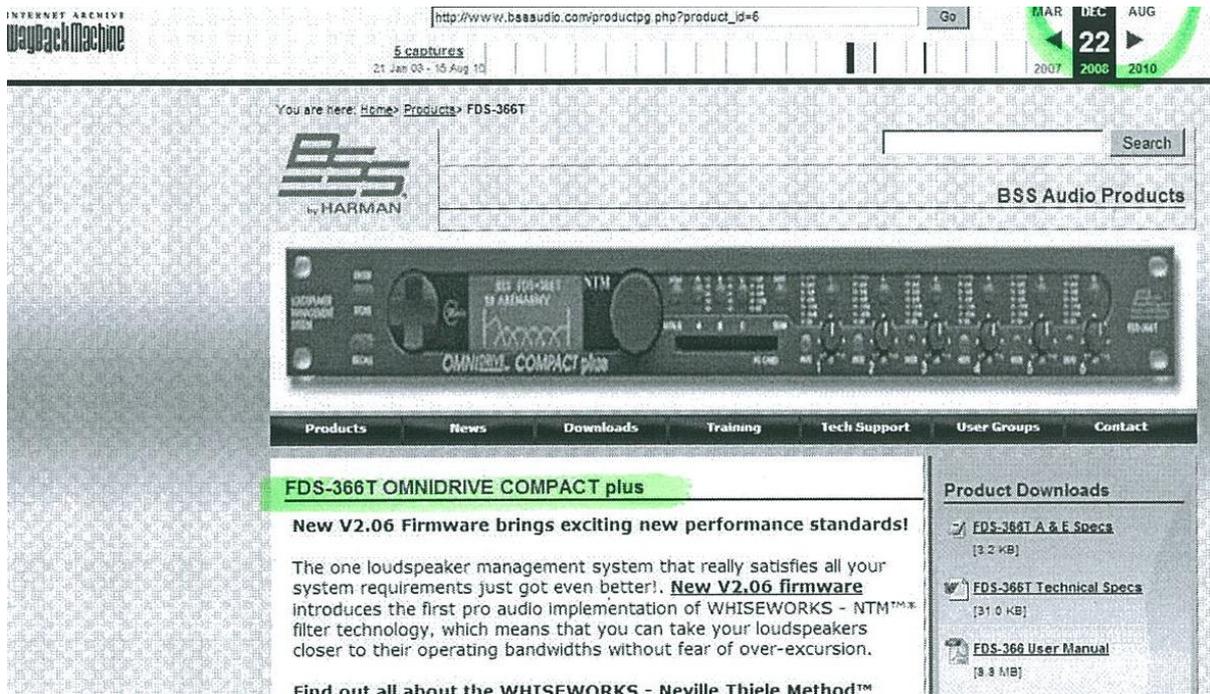
³ "Entertainment technology news on web".

⁴ JW5.

18. Mr Woolley states:

“My Company has achieved almost cult status among live sound and recording engineers and is a highly-regarded crossover and analogue signal processing company for high-end professional audio.”

He exhibits a BSS webpage⁵ from December 2008 relating to the OMNIDRIVE COMPACT product:



19. Mr Woolley describes the goods in paragraph 27 of his witness statement:

The OMNIDRIVE Mark in particular is used for audio goods with independent channels in a single 2U rack-mounting unit, each channel comprising of a 4 way crossover, 2 parametric EQ sections per band, mid-band limiters, and delays on each band. The units have electronically balanced analogue inputs and outputs, with the option of digital inputs and outputs, with selectable sample rates. Transformer isolation is available as an internally fitted option. All data is displayed numerically and graphically to provide a visual reference of crossover points, delay times, EQ curve and system performance. Individual led meters provide each output, together with an output trim control and mute facility. The audio products sold under the OMNIDRIVE Mark allow users to configure the crossover as 2, 3 or 4 way, and also allow one band to be used as a mono-lo output. A dynamic link facility provides a method of modulating the equalisation boost/cut value with the signal level, producing a dynamic equalisation effect. The Goods have no less than 60 memories for the storage of system data, with a facility to store such data on a PCMCIA memory card directly from the unit. Password protection allows users to optionally disable the setting and viewing of parameters by non-authorised personnel.

⁵ JW4

20. Mr Woolley states that all of the goods relied upon are currently sold under the trade mark and have been sold since August 1994. He states that there has been no phased introduction over a period of time: the use has been continuous. Mr Woolley states that approximately 213 units of OMNIDRIVE products per annum, at an average cost per unit of US\$1,561, have been sold in the UK in the five years prior to his witness statement. They are high fidelity goods. He states that the annual UK turnover figures in the UK for goods sold under OMNIDRIVE for the relevant period were \$6049 in 2008; \$92,429 in 2009; \$315,766 in 2010; \$467,155 in 2011 and \$473,224 in 2012. Mr Woolley explains that the figures are given in US dollars because his company is owned by a United States company incorporated under the laws of the State of Delaware, and that its annual accounts and reports are compiled and provided in US dollars. Invoices referring to the BSS FDS-366T Omnidrive Compact (Thiele), sent to UK customers from BSS within the relevant period, are shown in exhibit JW9.

David Marshall's evidence

21. Mr Marshall's company, Sound Technology Ltd, is a distributor for Harman/BSS. Mr Marshall states that his company is one of the largest independent distributors of musical instruments and professional audio products in the UK, having been established in 1978. He describes the goods sold under the OMNIDRIVE mark as "a high fidelity audio product which functions as both an audio processor and signaller". The company sells the Harman/BSS OMNIDRIVE product; Mr Marshall states that his company sold 27 units in 2008, 62 units in 2009, 24 units in 2010, 18 units in 2011 and 10 units in 2012. Exhibit DM4 shows the company price list from 2011/2012. The Omnidrive Compact Plus FDS-366T is shown at RRP £3100. The company actively marketed the OMNIDRIVE product, providing customers with updates on its continued development, such as shown in exhibit DM3, from August 2012 (the month in which the applications were filed) and exhibit DM5, from March 2010. Exhibit DM6 is an advertisement by the company for a two-day course run by Harman/BSS covering OMNIDRIVE programming, although after the relevant period. Exhibit DM7 from the company website, dated 19 July 2012, relates to a training programme the company provided in September 2012 in Hertfordshire, featuring the OMNIDRIVE product in relation to signal processing.

22. Mr Marshall states that the OMNIDRIVE product has a very good reputation within the audio industry, being a reliable and sophisticated piece of audio equipment and its price, which is lower than similar high end products, makes it particularly attractive to the industry and to audio engineers. Mr Marshall states that the OMNIDRIVE product's functionality is "unrivalled in the under £1000 price per unit bracket of the market", although this seems difficult to square with the £3100 price referred to above. He describes the functionality of the goods as taking up "just 1U of rack space" with a matrix of 3 inputs and 5 outputs. Each output has a crossover, limiter and delay function: the signal can be routed from any input, or from a mono sum of inputs A and B. Exhibit DM9 is an article from Mr Marshall's company website, dated 11 September 2011, describing the London venue KOKO, which had upgraded its sound systems. These featured higher power and next generation

OMNIDRIVE processors and filters which “keep the technical infrastructure of this Grade II landmark building ahead of the pack”.

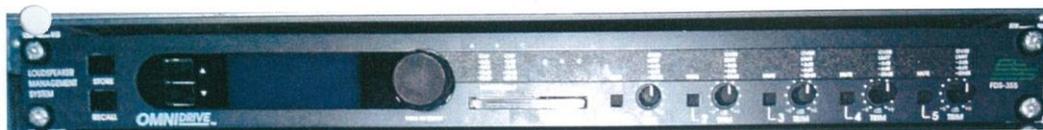
David Kay’s evidence

23. Mr Kay’s company, Adlib Audio Limited, was established in 1984 and supplies equipment for live entertainment performances. The company has sold and hired OMNIDRIVE products for fourteen years. He refers to the model number FDS-366 as retailing at £2325 excluding VAT. Exhibit DK1 shows pictures of the products which Mr Kay states his company sells:

FDS-366



FDS-355



FDS-388



24. Exhibit DK3 is a copy of a screen from his company’s website, dated 15 November 2009, from the Wayback Machine. Mr Kay states that, due to the time which has passed, the BSS OMNIDRIVE logo is not shown, but its existence at 15 November 2009 can be seen by the naming of the .jpeg “BSS Logo” which formed the tab to link to BSS’s website with further details of the OMNIDRIVE product. Exhibit DK4 is a copy of a press article detailing the company’s sale of a Public Address system which included the OMNIDRIVE products, for Ibiza Rocks in 2008. The model referred to is the BSS FDS-366T Omnidrive Compact Plus. The article refers to the sound system being specified by ADLIB and built and commissioned on site.

The evidence from the trade mark attorneys

25. Some of Mr Hawley’s statement consists of submission rather than fact. Ms Hide’s statement is in reply to the parts of it which are factual. Mr Hawley gives some ‘state of the register’ evidence, intending to prove co-existence on the trade

mark register of OMNI-prefixed marks on audio goods. Ms Hide points out, inter alia, that CTM 4779922 OMNIVENT is for vending machines; CTM 5079348 OMNICAST is for forensic investigation software; CTM 5645452 OMNIRADIO is not for audio goods; CTM 9665175 OMNI series is for fuel; and UK 2124848 OMNI is for computer software, and no audio related goods.

26. Mr Hawley exhibits definitions⁶ from the online “Free Dictionary” for omni, drive, live and line. He states that omni is a combining form meaning ‘all’ or ‘everywhere’ and that the other words have numerous meanings. Ms Hide exhibits definitions⁷ of omni and the other words from the Oxford Shorter Dictionary (6th edition, 2007). I will come back to the definitions later in this decision.

Proof of genuine use of Harman’s mark OMNIDRIVE

27. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case law of the CJEU in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

“(1) Genuine use means actual use of the mark by the proprietor or a third party with authority *Ansul*, [35] and [37].

(2) The use must be more than merely ‘token’, which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

⁶ RH02.

⁷ FKH01.

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no de minimis rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]"

28. The onus is upon Harman to prove use of its mark, because Section 100 of the Act states:

"If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it."

29. The earlier mark in question is a Community trade mark for which genuine use should be construed as within the European Community. In *Leno Merken BV v Hagelkruis Beheer BV* Case C-149/11, the CJEU stated:

"52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the

requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A de minimis rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).

57 The answer to the questions referred is therefore that Article 15(1) of Regulation No 207/2009 must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.

58 A Community trade mark is put to 'genuine use' within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity."

30. Ms Berkeley criticised individual parts of Harman's evidence. She noted that some exhibits were undated and that some fell outside of the relevant periods. Ms Berkeley submitted that the WayBack Machine was not necessarily reliable. She submitted that use in the trade and technical press was not with the consent of Harman. Ms Berkeley also submitted that OMNIDRIVE had been used in conjunction with another mark; i.e. use of FDS-366T OMNIDRIVE COMPACT PLUS was shown.

31. In *Castellblanch SA v Office for Harmonisation in the Internal Market (OHIM)* T-29/04 [2005] ECR II-5309, the General Court (“GC”) said:

“33 In the contested decision the Board of Appeal found that there is no precept in the Community trade mark system that obliges the opponent to prove the use of his earlier mark on its own, independently of any other mark. According to the Board of Appeal, the case could arise where two or more trade marks are used jointly and autonomously, with or without the name of the manufacturer’s company, as is the case particularly in the context of the automobile and wine industries.

34 That approach must be followed. The situation is not that the intervener’s mark is used under a form different to the one under which it was registered, but that several signs are used simultaneously without altering the distinctive character of the registered sign. As OHIM rightly pointed out, in the context of the labelling of wine products joint affixing of separate marks or indications on the same product, in particular the name of the winery and the name of the product, is a common commercial practice.”

When considering the issue of whether the use is of an acceptable variant, it is not necessarily fatal to Harman’s reliance on this mark that it uses other matter with the mark. My assessment of the evidence is that where there is use of OMNIDRIVE, as registered, with other matter, it falls into the *Castellblanch* category of use. The representation of OMNIDRIVE in these instances is separate from the other elements. It is used in the manner of a ‘house’ mark, followed by a model number (FDS-366T) and descriptive subsidiary or secondary branding (COMPACT PLUS)⁸. OMNIDRIVE has not been altered from the form in which it is registered; there is no alteration to its distinctive character.

32. Mr Brandreth referred to Case T-415/09 from the GC, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, in relation to the need to get a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling:

“53 In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be

⁸ The CJEU said, in *Specsavers International Healthcare Ltd, Specsavers BV, Specsavers Optical Group Ltd, Specsavers Optical Superstores Ltd v Asda Stores Ltd* C-252/12 [2013] E.T.M.R. 46: “That interpretation is, in particular, supported by the objective pursued by the second subparagraph of art.15(1)(a) of Regulation 207/2009 which, by avoiding imposing a requirement for strict conformity between the form used in trade and the form in which the trade mark was registered, is to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned. That objective would be jeopardised if, in order to establish use of the registered trade mark, an additional condition had to be met, whereby the different form in which that mark is used should not itself have been registered as a trade mark (see, by analogy, *Rintisch*, at [21] and [22]).”

demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (*COLORIS*, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36).⁹

It is a matter of viewing the picture as a whole, including whether individual exhibits corroborate each other. I also bear in mind that the genuine use provision is not there to assess economic success or large-scale commercial use, and even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. An assessment as to whether there has been real commercial exploitation therefore includes consideration as to the nature of the goods and the characteristics of the market concerned.

33. The criticisms about the WayBack Machine are noted, as are Mr Brandreth's citations of judgments where the judges referred to such evidence, without having cast aspersions on its reliability¹⁰. Mr Woolley gives sales figures which are attributable to the FDS-366T model in the relevant five year period. This is the model referred to elsewhere in the evidence. I note that this model number crops up in the 2003 tours; it is on the invoices to UK customers during the relevant period, and it is referred to in Mr Marshall's evidence as being for sale by his company in 2013. His company installed OMNIDRIVE goods in the KOKO London club in 2011. This is a span of 10 years. Mr Woolley, Mr Marshall and Mr Kay state that OMNIDRIVE goods were for sale in the five year period from 2007 to 2012, which is borne out by the evidence just listed. Mr Woolley states that the use has been continuous and that the mark has always been used in the same way; this can be seen in the screen print from the BSS website from December 2008. Mr Marshall's company were running Harman/BSS training courses in July 2012 for audio engineers to learn how to use this model; this is another indication that the goods were being bought. I place no reliance upon the Justin Bieber evidence because it does not establish UK use, although it is useful as a description of how OMNIDRIVE products fit into an audio system.

34. Although there appeared to be some doubt that the turnover figures given by Mr Woolley all related to Omnidrive products, rather than a figure which also incorporated sales of 'Minidrive' products, there is in the evidence a spreadsheet¹¹

⁹ See also the comments of Mr Geoffrey Hobbs QC, sitting as the appointed person in *Brandconcern BV v Scooters India Limited* ("Lambretta") BL O/65/14, referring to this case from the GC.

¹⁰ For example, His Honour Judge Birss, in *National Guild of Removers & Storers Ltd v Silveria* [2011] F.S.R. 9, paragraph 33: "The WayBack Machine is commonly used in intellectual property cases to see what old websites looked like even when the operators of the websites have changed them or removed them altogether."

¹¹ JW6

which clearly shows separate sales of products under these two brands for the UK. The OMNIDRIVE figures in the spreadsheet are 2 in 2009, 18 in 2010, 20 in 2011 and 8 in 2012.

35. I bear in mind that the genuine use assessment is not concerned with assessing commercial success or economic strategy. I bear in mind the total picture created by Harman's evidence, including the volume of sales, the duration of the period of sales, the frequency of the sales, the stability of the mark used and the technical nature of the market¹². Taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark, the territorial extent and the scale of the use, as well as its frequency and regularity (as per *Leno Merken BV v Hagelkruis Beheer BV*), I find that Harman made genuine use of its mark in the UK and that this qualifies as genuine use of a CTM. The next question is whether that use is fairly described by the statement of use made by Harman, or whether the scope of use is narrower. The statement of use which Harman made in its application for invalidity is:

Audio apparatus and instruments; apparatus for recording, transmission or reproduction of sound; apparatus for altering the tonal characteristics of an audio signal; audio equalizers; computer software; apparatus and instruments, all for recording, producing, transmitting, editing or processing audio signals; audio processing apparatus; high fidelity sound equipment; loudspeaker systems; signal processing equipment, digital signal processing equipment; sound processors, integrated sound systems; audio compressors and processors; equalisers; audio crossovers; loudspeaker management systems; parts and fittings for all the aforesaid goods.

36. Mr Marshall referred to the goods as a high fidelity audio product which functions both as an audio processor and signaller. The goods on the BSS website are listed under the heading "electronic crossovers & loudspeaker management". Mr Brandreth described the use as of an audio processor and system controller, both as a stand-alone piece and as a processor which can be incorporated into other devices. He also described the terms in the specification as a group of synonyms: the OMNIDRIVE product being audio apparatus which transmits and reproduces sound, alters the tonal characteristics of an audio signal and which operates as an equalizer. Mr Brandreth submitted that, at its narrowest, a fair description of the goods would be "loudspeaker management systems, audio processor and system controllers and software".

37. In *Melis Trade Mark O-345-10*, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

"In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they

¹² CJEU case C-234/06 P *Il Ponte Finanziaria SpA v OHIM* and General Court Case T-334/01 *MFE Marienfelde GmbH v OHIM*.

should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

In relation to apparatus for recording, the descriptions given in the evidence all relate to the transmission and reproduction of sound. Computer software at large is relied upon, which is plainly not a fair description of the use shown. Mr Woolley explains that his company’s target market and customers in the UK are highly specialised. This is a niche market with specialised goods, purchased by technical specialists. Based upon the evidence and the witnesses own descriptions of the goods, a fair specification upon which Harman may rely is:

Loudspeaker management systems, audio and signal processing equipment, system controllers and software therefor; apparatus for altering the tonal characteristics of an audio signal; audio equalizers; sound processors; audio crossovers.

38. There was a degree of disagreement at the hearing as to whether Martin, through Mr Hawley’s witness statement, had accepted use for a limited range of goods. So as to remove uncertainty, I have approached the assessment from scratch, as though there had been no such concession made.

Section 5(2)(b)

39. The leading authorities which guide me in relation to this section are from the CJEU (“Court of Justice of the European Union”): *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. 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*,
- (b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, 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.*,
- (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*,
- (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*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*,

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*,

(g) 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*,

(h) 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*,

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) 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*,

(k) 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 and Adidas Benelux BV*,

(l) 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*.

Comparison of goods

40. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*. where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their

intended purpose and their method of use and whether they are in competition with each other or are complementary.”

‘Complementary’ was defined by the General Court (“GC”) in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”

41. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

42. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

43. Ms Berkeley submitted that the specifications are technical and specialist and that the onus is on Harman to explain, through evidence, why the parties’ goods are similar. She submitted that, for example, loudspeakers and loudspeaker systems may be manufactured by different people, the latter being hardware and software. Additionally, Ms Berkeley submitted that the fact that loudspeakers may be used in conjunction with a control system does not make them similar goods.

44. Although these are not everyday household items, it is still possible to learn something about the goods from technical descriptions in the parties’ evidence about their own products. For example, in Martin’s evidence¹³, there is a product description for the OMNILINE equipment:

“By using a complement of unique, Martin Audio designed drivers, and mechanical alignment techniques, simple EQ and Limiting is the only processing required. A powerful software application provides extremely

¹³ RJH04.

accurate intercabinet and array angles in order to achieve optimum coverage over a predefined area.

...

Rather than applying DSP [digital signal processing] to a traditional column, OmniLine's vertical beam-forming is achieved by physically articulating individual array modules to curve the array. The actual array configuration for a specific venue is determined by powerful, patent pending optimisation software which makes intelligent judgments about the 'goodness' of the array's SPL distribution against objective target functions"

...

Applications – churches, museums, sports venues, conference centres, theatres, auditoria, shopping malls, transport terminals, concert halls, bars, restaurants, lecture theatres".

45. Helpful as this may be, the comparison I must make is concerned with the notional cover of the specifications. In *Och-Ziff Management Europe Limited and another v Och Capital LLP and others* [2010] EWHC 2599 (Ch), Arnold J said:

"76. It is common ground that it is now clear that there is an important difference between the comparison of marks in the registration context and the comparison of mark and sign in the infringement context, namely that the former requires consideration of notional fair use of the mark applied for, while the latter requires consideration of the use that has actually been made of the sign in context."

I should not make the comparison by restricting the specifications to the current marketing or trading patterns of the parties, as per *Oakley v OHIM*¹⁴:

"76 Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors (*QUANTUM*, paragraph 75 above, paragraph 104, and *T.I.M.E. ART/Devinlec v OHIM*, paragraph 75 above, paragraph 59)."

¹⁴ GC Case T-116/06.

46. The competing specifications of the parties' marks are shown in the table below. The specification in the table is for Martin's OMNILIVE registration; the specification for the OMNILINE registration is a subset of the one shown here.

Harman	Martin
<p><i>Loudspeaker management systems, audio and signal processing equipment, system controllers and software therefor; apparatus for altering the tonal characteristics of an audio signal; audio equalizers; sound processors; audio crossovers.</i></p>	<p><i>Loudspeakers; cabinets adapted for use with loudspeakers; loudspeaker housings, loudspeaker systems, control apparatus and equipment therefor; electronic controllers for loudspeakers; amplifiers; crossover networks; apparatus and instruments for recording, transmission or reproduction of sound and/or images; microphones; sound reverberation units; apparatus for amplifying, reinforcing mixing, modifying, controlling and disseminating sound; computer software for use in conjunction with any of the foregoing apparatus and equipment; parts and fittings for all the aforementioned goods.</i></p>

47. As per the judgment of the GC in *Gérard Meric v OHIM* Case T-133/05, goods and services can be considered as identical when the goods of the earlier mark are included in a more general category, included in the specification of the trade mark application. Vice versa, if the goods or services of the application are included in a more general category included in the specification of the earlier mark, they must be identical.

48. Harman's controllers for loudspeaker management systems are identical to Martin's control apparatus and equipment for loudspeaker systems, and its electronic controllers for loudspeakers.

49. According to *Collins English Dictionary* (2000 edition), an amplifier is

- “1. an electronic device used to increase the strength of the current or voltage signal fed into it.
- 2. such a device used for the amplification of sound signals in a radio, record player, etc.”

On this basis, Martin's amplifiers are identical to Harman's audio and signal processing equipment.

50. Harman's audio crossovers are identical to Martin's crossover networks.

51. *Collins* defines a microphone as:

“A device used in sound-reproduction systems for converting sound into electrical energy, usually by means of a ribbon or diaphragm set into motion by the sound waves. The vibrations are converted into the equivalent audio-frequency electric currents.”

I find that Martin's microphones are identical to Harman's audio and signal processing equipment and apparatus for altering the tonal characteristics of a audio signal. If I am wrong about that, these goods are highly similar in that Harman's goods are complementary to microphones, will be used in a set up incorporating Harman's goods (e.g. in a live performance), will be used by the same consumers, sold by audio equipment outlets and share the same purpose (to amplify and create audio effects).

52. Martin's sound reverberation units alter sound and are therefore identical to Harman's apparatus for altering the tonal characteristics of an audio signal.

53. Martin's apparatus for amplifying, reinforcing mixing, modifying, controlling and disseminating sound is identical to all of Harman's goods.

54. Martin's apparatus and instruments for transmission or reproduction of sound is identical to all of Harman's goods.

55. Harman's software for use in loudspeaker management systems is identical to Martin's computer software for use in conjunction with loudspeakers, loudspeaker systems, control apparatus and equipment, electronic controllers for loudspeakers, amplifiers, crossover networks, apparatus and instruments for transmission or reproduction of sound; microphones, sound reverberation units, and apparatus for amplifying, reinforcing, mixing, modifying, controlling and disseminating sound.

56. Martin's loudspeakers; and loudspeaker systems are not identical to Harman's goods. They do not share the same nature. In relation to loudspeakers and loudspeaker systems, there is a shared purpose with Harman's loudspeaker management systems, which is to amplify sound to the desired effect or levels. They are highly complementary, are likely to be found in shared channels of trade, bought by the same consumers, and be linked in use. They are highly similar.

57. Martin's cabinets adapted for use with loudspeakers; loudspeaker housings are more in the nature of parts for loudspeakers. There may be some convergence in channels of trade and consumers. There is no convergence with Harman's goods in terms of nature or purpose and no complementary relationship with Harman's goods, which are management systems, processors and software. There is a low degree of similarity.

58. Martin's apparatus and instruments for recording of sound; apparatus and instruments for recording, transmission or reproduction of images are goods likely to be found in use alongside Harman's goods, e.g. in an auditorium, such as when a rock concert takes place with recording of the event, management of the sound and

display of the performance on screens. They are complementary in the sense that consumers will expect integration of the systems and that the responsibility for those goods lies with the same undertaking. The users and channels of trade will converge. The purpose of the parties' goods is the manipulation of communication, whether aural or visual. There is a good level of similarity between the goods.

59. Martin's has cover for computer software for use in conjunction with any of the foregoing apparatus and equipment. I have already dealt with Martin's computer software where there is identity with Harman's goods. In relation to Martin's other goods, apparatus and instruments for recording of sound; apparatus and instruments for recording, transmission or reproduction of images, I have found that they are similar to a good degree with Harman's goods. It follows that computer software used in relation to these goods of Martin's must be similar at least to a good degree, if not higher, compared to Harman's software for controlling sound processing and loudspeakers.

60. It is difficult to envisage how computer software could be used in relation to cabinets and housings for loudspeakers; this may be down to the drafting of the specification, where software is placed at the end of the specification (before parts and fittings), but refers back to all of Martin's goods. I must take the specification as I find it. Harman has cover for loudspeaker management systems, which includes software for that purpose. Software for use in relation to loudspeakers must be similar to software for goods closely affiliated to loudspeakers, at least in terms of channels of trade, users and method of use. There is a moderate level of similarity between Harman's loudspeaker management systems and Martin's software for use in conjunction with cabinets adapted for use with loudspeakers and loudspeaker housings.

61. I apply the same logic set out in the preceding two paragraphs to Martin's parts and fittings for all of its goods. In some cases, there will be identity, such as parts and fittings for its apparatus and instruments for transmission or reproduction of sound and Harman's goods. In other cases, there is complementarity, shared channels of trade, shared users and shared purpose: the goods of both parties relate to loudspeakers, sound/image management and reproduction. There similarity to a greater or lesser degree, ranging from identity to a low level (in the case of parts for loudspeaker housings and cabinets).

Average consumer

62. The average consumer is reasonably well informed and reasonably circumspect and observant, but his level of attention is likely to vary according to the category of goods or services. The average consumer for Harman's goods is the audio specialist with detailed knowledge of the goods; for Martin's goods, it is both the audio specialist and the general public. Although I bear in mind that there may be an aural aspect to the purchasing process, the goods will be purchased primarily visually after examination of sales information and the goods themselves. Items of ordinary cost will cause some degree of care to be used, but not the highest level of care. The more technically advanced or expensive the goods are, the closer will be the attention paid to the purchase.

Comparison of marks

63. The authorities cited earlier in this decision direct that, in making a comparison between the marks, I must compare each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details, as per *Sabel BV v Puma AG*, paragraph 23:

“That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their dominant and distinctive components.”

64. The respective marks are:

Harman's mark	Martin's marks
OMNIDRIVE	OmniLine OMNILIVE

65. All three marks consist of three syllables and start with the same two syllables: OMNI. The third syllable in each mark consists of common English words. The effect of this is that whilst the average consumer does not give trade marks a close degree of analysis, the presence of the recognisable word as an element of the mark will effectively cause a degree of separation to be noticed between the OMNI element and the known word, rather than viewing the mark as a completely invented word. In the case of OmniLine, the capital L creates a natural separation. There is a reasonably high level of visual similarity because the first half of all the marks consists of the identical OMNI element; the second element (DRIVE, LIVE AND LINE) are all elements of similar length; and all the marks end in the letter 'e'. Aurally, the first two out of three syllables are identical and the third syllable has the identical 'i' vowel sound. The difference aurally is that there is a hard 'd' in Harman's mark which is not shared by Martin's marks. Overall, though, there is a good deal of aural similarity.

66. Martin's submission is that OMNI is commonly known to mean all or everywhere. I am unconvinced that this is a meaning immediately apparent to the average consumer (audio specialist or otherwise). Mr Hawley gives definitions for drive, line and live to show that they have numerous meanings. It is submitted that these different definitions give rise to conceptual differences between the marks. Mr Brandreth submitted that the drive, line and live elements, are all redolent of the audio field. He takes this from Ms Hide's evidence¹⁵, where she gives the following definitions:

¹⁵ FKH01, the Oxford Shorter Dictionary (6th Edition, 2007).
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“Drive” – one can ‘drive a speaker’

“Line” – a line array system; a structured sequence of notes or tones

“Live”: in acoustics, ‘of a room or enclosure: having a relatively long reverberation of time’; music given in front of a public audience as opposed to in a recording studio etc.’

67. Such meanings might be known to the Harman’s average consumer, but I think that the less technically expert would be unlikely to grasp such concepts immediately. If the marks have concepts, it will be that the second elements are evocative of known definitions, but that the presence of OMNI does not give any of the marks clear meanings. Even if OMNI is perceived as something approaching ‘all’ or ‘everywhere’, there is no real overall meaning to each mark capable of immediate grasp. The marks are all conceptually neutral; neither similar nor dissimilar. If any aspect of the marks can be said to be dominant and distinctive, it is OMNI, both because it is at the front half of each mark, because it is more likely to be seen as invented, and because the second element of each mark consists of ordinary words. This gives rise to a common pattern: OMNI plus a common one syllable word.

Distinctive character of the earlier mark

68. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹⁶ the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

69. Mr Brandreth submitted that the mark was well-known amongst sound engineers and that it should be regarded amongst that group of average consumer as

¹⁶ Case C-342/97

possessing an enhanced level of distinctive character. I do not agree that the evidence points to such a finding; there is some confusion over what the turnover figures cover and, although the sales figures referred to in paragraph 34 of this decision do not seem to be in doubt, these do not support a claim to enhanced distinctive character. Although Harman's consumers will know what drive means, inherently, the mark OMNIDRIVE has a reasonable degree of distinctive character for the goods because, overall, there is no descriptive meaning capable of immediate grasp.

Likelihood of confusion

70. Mr Hawley filed several pages of prints from the UK trade mark register (many of which are 'expired' and without expansion as to the goods or services covered) in order to demonstrate that OMNI is a common prefix which, effectively, I should discount. As recorded earlier in this decision, Ms Hide did expand on some of those entries to find that the goods were not audio goods. In any case, I have no information as to how many of those marks are present on the market place; how they are being used and on what goods or services; what the average consumer's perception of these marks may be in relation to the various goods; and whether the average consumer is used to distinguishing between them on account of the prevalence of OMNI-marks. The state of the register evidence is not helpful, as is often the case¹⁷. I must be satisfied that OMNI will be known and perceived by the average consumer as an established descriptive term and there is no evidence to that effect: see the judgment of Mr Daniel Alexander QC, sitting as the appointed person in *Petmeds*, BL O/471/11:

"46. In my view, in general, where a specific assertion is made that marks are not likely to be confused because the common element is descriptive, or otherwise common to the trade, the onus lies on the undertaking asserting that proposition to establish it, with evidence, unless the element in question is so obviously descriptive of the goods or services that judicial notice may properly be taken of it. That is not an unreasonable burden since, if a sign is in common descriptive use, that fact is likely to be easy to prove."

71. Even if I were to accept that OMNI had a reduced level of distinctiveness, that does not mean I should ignore it (*Shaker di L. Laudato & C. Sas v OHIM*). A not dissimilar argument to Martin's was run in case C-655/11 P *Seven for all mankind LLC v OHIM*. The CJEU stated:

"44 In order to respond to this ground of appeal, the Court notes that SAM, at paragraph 45 of its response lodged with the General Court, submitted that it is clear from a 'search' in the trade mark registers that there are numerous marks in the European Union containing the word 'seven' or the numeral '7'. Furthermore, in an earlier decision, a Board of Appeal of OHIM indicated that the Community trade mark database showed some 80 trade marks consisting

¹⁷ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281; *GfK AG v OHIM* Case T-135/04 and, more recently, the judgment of the GC in Case T-285/12 *The Cartoon Network, Inc v OHIM*.

of or beginning with the word 'seven'. 'More generally', OHIM had already indicated that 'it is common experience that numbers are frequently used', in particular on clothing items and accessories.

45 SAM thus alleges that the General Court did not take that argument into account and, therefore, committed a breach of procedure.

46 In that respect, it should be noted that the General Court found, at paragraph 38 of the judgment under appeal, that the fact that the word 'seven' may have only a very weak distinctive character does not affect the finding that that word is not insignificant in the overall impression produced by the earlier trade marks, since it is clear that that word is likely to attract consumers' attention and be remembered by them.

47 In those circumstances, even if, as the appellant claims, the General Court had committed a breach of procedure by not examining the arguments presented by SAM as to the existence of numerous marks registered in the European Union containing the word 'seven' or the numeral '7', that would not have had any bearing on the General Court's finding.

48 Furthermore, the mere existence, even in high numbers, of marks which have that characteristic is not sufficient to establish the weak distinctive character of those marks.

49 For that claim to be relevant to such a finding, it must be shown that there are significant similarities as regards not only the presence of the word 'seven' or the numeral '7' in the earlier marks but also the position, type-face, ornamental presentation, any special font of a particular letter of that word, and the shape of the numeral '7', as well as, if that be the case, the presence of verbal or figurative additional elements before or after that word or number. Furthermore, the marks at issue must refer to the same goods and services."

72. A lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). The marks are visually similar to a reasonably high degree and aurally to a good degree. There is no clear conceptual hook for the average consumer to grasp, but there is a common pattern of OMNI plus single syllable common words. I bear in mind that there is a rough rule of thumb that the beginnings of marks are important in the perception of marks by the average consumer because this is the part that first strikes the consciousness¹⁸. That said, to put the rule of thumb into perspective, if the beginning of the mark consists of an element which is a descriptive or common combining form, the importance may be reduced¹⁹. As will be clear from my comments above, I have no evidence that OMNI is descriptive or a common combining form for the goods at issue. So, in this case,

¹⁸ C-655/11 P *Seven for all mankind LLC v OHIM*.

¹⁹ *Castellani SpA v OHIM*, T-149/06 and *Spa Monopole, compagnie fermière de Spa SA/NV v OHIM*, Case T-438/07.

the rule of thumb holds and, in my view, the consumer will pay attention to the identical first element of the marks, OMNI.

73. I have found that the goods range from being identical to similar to a low degree. Some of the goods will be subject to a close degree of attention by specialists in the audio/acoustics field. In some circumstances, even where professional consumers are concerned, this fact alone does not rule out a likelihood of confusion²⁰. In the current case, there are professionals and the general public to consider. In *DC Comics (A General Partnership v Adelphoi Limited* (“Batsman”), BL O/440/13, at paragraph 21, Professor Ruth Annand, sitting as the appointed person, said:

“As for the services, e.g., broadcasting, whilst I agree with Mr. Malynicz that the average consumer would include business consumers or professionals as well as the general public, the likelihood of confusion must be assessed in relation to the part of the public whose attention is lower (see e.g., Case T-448/11, *Golden Balls Ltd v. OHIM*, 16 September 2013, para. 26), although in any event, the Hearing Officer relied on an average consumer (reasonably well informed and reasonably circumspect and observant) paying an average level of attention (para. 41).”

Drawing all of the various factors together, I consider that in the case of the general public, whose attention is lower²¹, and for less high-end goods, there is a likelihood that the marks will be recalled as ‘OMNI-marks’ and will be confused. In case I am wrong about that, and that the difference in the second elements will be noticed, nevertheless I am of the view that the initial OMNI element in the marks will be attributed to common ownership or linked undertakings (‘indirect confusion’). This is also likely to be the type of confusion experienced by the more professional consumer, even in relation to those goods which are similar to a lower degree. The average consumer is likely to believe that the goods derive from companies which are linked economically. **There is a likelihood of confusion.**

Outcome

74. The applications for declarations of invalidity succeed against both of Martin’s registrations, under section 47(2)/section 5(2)(b) of the Act. Accordingly, under section 47(6) of the Act, the registrations are deemed never to have been made.

75. The applications having succeeded in full under section 5(2)(b), there is nothing to be served in assessing whether Harman would also have succeeded under sections 5(3) and 5(4)(a) of the Act.

²⁰ *Honda Motor Europe Ltd v OHIM* Case T- 363/06.

²¹That is not to say that those consumers are not reasonably well informed and reasonably circumspect and observant; as per *Interflora v Marks & Spencer* [2013] EWHC 1291, paragraph 209, Arnold J: “By assessing matters from the perspective of a consumer who is reasonably well-informed and reasonably observant and circumspect, confusion on the part of those who are ill-informed or unobservant is discounted.

Costs

76. Harman is entitled to a contribution towards its costs, which I assess on the basis of the scale published in Tribunal Practice Notice 4/2007, as follows:

Fee for the filing the applications (x 2)	£400
Preparing statements and considering Martin's statements (x 2)	£400
Filing evidence and considering Martin's evidence (x1)	£800
Attendance at hearing	£800
Total	£2400

77. I order Martin Audio Limited to pay to Harman International Industries Limited the sum of £2400. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 7th day of March 2014

**Judi Pike
For the Registrar,
the Comptroller-General**