

O-153-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2286921
BY QUANTUM MICROPONENTS LTD TO REGISTER
A TRADE MARK IN CLASSES 9 AND 37**

AND

**IN THE MATTER OF OPPOSITION No. 91523
BY Q-TECH LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2286921
by Quantum Microponents Ltd to register a
Trade Mark in Classes 9 and 37**

and

**IN THE MATTER OF Opposition No. 91523
by Q-Tech Limited**

BACKGROUND

1. On 29 November 2001 Quantum Microponents Ltd applied to register the following mark:



2. It was applied for in respect of specifications of goods and services which read:

Personal computers; parts, fittings and accessories for use with personal computers
(Class 9).

Computer hardware repair and installation (Class 37).

3. The application is numbered 2286921. It was accepted and published for opposition purposes in the Trade Marks Journal on the basis of honest concurrent use with registration No. 2264351.

4. On 28 February 2003 Q-Tech Limited filed notice of opposition to this application. They are the proprietors of the registration referred to in the applicants' honest concurrent use claim. Details of that registration are as follows:

No.	Mark	Class	Specification
2264351		<p>09</p> <p>35</p> <p>42</p>	<p>Data processing equipment and computers; computer hardware and firm ware; computer software (including software downloadable from the Internet); computer systems, apparatus and accessories; apparatus for recording, transmitting or reproducing sound or images; quality assessment and validation equipment.</p> <p>Business management systems; business administration systems; office functions; advertising services provided by Secure System Computers; data processing; provision of business information; business consultancy services.</p> <p>Scientific and industrial research; installation, maintenance and replacement of computer software; computer consultancy services; computer programming services; quality assessment or validation of all types of products or processes.</p>

5. The opposition is based on Section 5(2)(b) having regard to the similarities between the marks and the goods/services which it is said will result in a likelihood of confusion. There are other claims in relation to the opponents' use and the applicants' honest concurrent use claim. I

should also mention that the opponents point to the fact that they claim the colours red and blue as an element of their mark (specifically the Q is in red and the element tech is in blue). They point to an Exhibit to their statement of grounds showing that the applicants' website pages, packaging and sale catalogues also use these colours in the same format.

6. Reference is also made to correspondence between the parties' professional representatives regarding a possible assignment of the registered mark. It seems that those negotiations did not result in any agreement being reached.

7. The applicants filed a counterstatement disputing that there is any likelihood of confusion, pointing to their own use of their mark and claiming the benefit of honest concurrent use. It is not entirely clear from the wording used whether the applicants concede that the marks are similar but their main case seems to be the reliance placed on honest concurrent use and their view that the opponents' mark was "maliciously registered".

8. The opponents have asked for an award of costs in their favour. Both sides filed evidence. The parties were offered the opportunity to be heard or to make written submissions. They have not requested a hearing or filed written submissions.

9. Acting on behalf of the Registrar I give this decision on the basis of the papers filed.

10. The action has been brought under Section 5(2)(b) of the Act which reads as follows:

"(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. 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] R.P.C. 117, *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. This is a somewhat unusual case in that the applicants do not concede there is a likelihood of confusion, but have not argued forcefully against the opponents' claims in relation to the marks and goods/services. Instead, they have concentrated their defence on challenging the bona fides of the opponents in adopting their mark and secondly by making a counter claim for honest concurrent use.

13. The evidence in the case comes in the form of a statutory declaration and witness statement by Dennis Watt, the opponents' Managing Director (the witness statement being by way of reply evidence) and a witness statement by Christopher David Grierson, the applicants' Managing

Director. I will come to the content of the evidence in the course of dealing with the issues raised rather than offering a formal summary at this point. I will firstly deal with the issues of similarities of marks and of goods and services. As was noted in *Raleigh International Trade Mark* [2001] RPC 11, likelihood of confusion is ultimately a question of considering the net effect of the similarities and differences as seen through the eyes of the average consumer.

14. It is reasonably clear that the applicants' goods in Class 9, that is personal computers together with their parts, fittings and accessories are contained within, and are a sub-set of the goods in the opponents' Class 9 specification, notably computers, computer hardware, computer systems, apparatus and accessories. I take the view that they are identical goods. There is no direct equivalent of 'computer hardware repair and installation' (the applicants' Class 37 services) in the opponents' specification. These services cannot, therefore, be identical to the opponents' goods and services. However, I regard the repair and installation of computer hardware to be intimately linked to the hardware itself. The test laid down in the *Canon* case requires consideration of the nature of the goods or services, their end users, methods of use and whether they are in competition or are complementary. The goods and services in question share the same end users and are entirely complementary in terms of the circumstances in which they will be offered to their customers. The same is also true of the installation of computer software which is contained in the opponents' Class 42 specification. They are similar in my view to a reasonably high degree.

15. The marks themselves are, for ease of reference, set out below:

Applicants' mark



Opponents' mark



16. The opponents claim the colours red and blue as an element of their mark. No such claim is made by the applicants in respect of their mark though it will be noted that the large stylised device (I take it to be and will refer to it as a Q device) is presented with the 'triangles' in a different tone to the rest of the letter and the Q of Qtech in a different tone to tech. More importantly, the opponents' statement of grounds exhibits advertising and packaging material emanating from the applicants showing that in practice they use the same or closely similar colour combinations as those contained in the opponents' registration. I, therefore, take this to be paradigm use. It can also be seen that not only is the mark/element Qtech presented in the same colour combinations but it is shown in the same combination of upper and lower case lettering and in, what appears at least to be the same font.

17. The applied for mark is, nevertheless, more than simply the word Qtech. The visually dominant element of the mark is the large stylised letter Q. It is inconceivable that the average consumer would note the common element Qtech without also noting that the applied for mark has this other element. I also think it is highly likely that the device would be seen as a stylised letter Q even absent the accompanying element Qtech. What the latter seems to me to do is to reinforce the impression that the device is a letter Q.

18. In terms of oral usage the opponents' mark is likely to be referred to as Qtech (on the assumption that consumers will not refer to the contrasting colours).

19. A number of possibilities present themselves with the applied for mark given its composite nature. But it seems unlikely that the Qtech element would be dropped in oral references to the mark. It may, therefore, be referred to as Q Qtech or simply Qtech to avoid the repetition of the Q.

20. Conceptually, it is not suggested that the shared word/element Qtech is in any way meaningful in relation to the goods/services. The presence of the stylised Q does not in itself create a materially different idea. However, visual and to a lesser extent oral/aural considerations are likely to be rather more important in the context of marks that do not readily yield meanings.

21. I have little hesitation in concluding that, the net effect of the similarities and differences between the marks and the identity and/or close similarity between the goods and services is to create a strong likelihood of confusion. That view is not dependent on the common word/element Qtech being presented in the same or closely similar colours but is reinforced by the effect of such usage. The stylised Q in the applied for mark is prominent but its contribution to the overall character of the mark is not sufficient to displace this finding.

22. Mr Grierson's evidence on behalf of the applicants explains how the Q Qtech logo was devised and provides a statement by the designer confirming, inter alia, that the copyright now vests in the applicant company (Exhibits ABC 1 and 2). The latter is contained in a "To whom it may concern letter" which does not comply with the requirements of Rule 55 of the Trade Marks Rules 2000 (as amended) and is of limited evidential value. These documents have been filed in support of the applicants' stated belief that the opponents' mark was "maliciously registered after the opponent had seen the Q Qtech brand advertised in major home shopping catalogues". The opponents deny this charge and counter it with evidence as to use of their mark from a date which antecedes the date (August 1999) when it is said the applicants' mark was commissioned.

23. However, I do not consider it is open to me to consider this matter in the context of these opposition proceedings. Section 72 of the Act creates a prima facie presumption of validity in respect of the opponents' registered mark:

"72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it."

24. The validity of the opponents' registration is not open to challenge as part of this action. I am not aware that any invalidity action has been launched or that a request has been made to stay the current proceedings pending the outcome of any such action. The claim and counterclaim in relation to the devising of the applicants' mark do not dispose of the fact that the opponents' registration acts as a bar to the application in suit subject to the second leg of the applicants' defence which is their claim to honest concurrent use. I go on to consider this claim.

25. The relevant Section of the Act reads as follows so far as is directly relevant:

“7.-(1) This Section applies where on an application for the registration of a trade mark it appears to the registrar-

- (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,

but the applicant shows to the satisfaction of the registrar that there has been honest concurrent use of the trade mark for which registration is sought.

(2) In that case the registrar shall not refuse the application by reason of the earlier trade mark or other earlier right unless objection on that ground is raised in opposition proceedings by the proprietor of that earlier trade mark or other earlier right.

(3) For the purposes of this section “honest concurrent use” means such use in the United Kingdom, by the applicant or with his consent, as would formerly have amounted to honest concurrent use for the purposes of Section 12(2) of the Trade Marks Act 1938.”

26. The nature and scope of the provision were considered in *Codas Trade Mark* [2001] RPC 14 in paragraphs 20 to 25.

27. The Hearing Officer held as follows:

“24 If, for example, the trade mark the subject of the application for registration and the trade mark the subject of the earlier right were identical, and the specification of goods or services of the application was identical to the specification of the goods or services covered by the earlier trade mark, then refusal must follow under Section 5(1), which bars absolutely the registration of identical trade marks in respect of identical goods or services (unless the proprietor of the earlier trade mark consents to the registration of the later trade mark). But in relation to Section 5(2) the respective trade marks or respective specifications of goods or services may only be similar and the fact that there has been actual use of the trade mark in suit concurrently with the earlier trade mark, may be relevant in determining whether there is a likelihood of confusion.

25 In the circumstances and for the reasons above, I reject Mr Hacon's submission that because the proprietor of the earlier trade mark against which the applicant for registration has claimed honest concurrent use has opposed the application, the provisions of Section 7(2) make the refusal mandatory. However, as I have already said, the mere fact that there has been honest concurrent use is not a defence, which in itself will save an application, but it is one of the "relevant" factors which should be taken into account in determining whether there is a likelihood of confusion."

28. Thus, honest concurrent use may assist in getting an application to publication as has happened here. It cannot in itself save an application if there is an opposition and it is considered that there is a likelihood of confusion. What it may do is to suggest that, contrary to the initial impression of the tribunal, the relevant public has been shown to be capable of recognising that goods or services offered under the respective marks emanate from different trade sources and hence that in practice there is no likelihood of confusion. That state of affairs can only come about where there has been use of both parties' marks in relation to the goods for which they are respectively registered and applied for. In this respect Mr Watt says of the opponents' business:

"The Opponent carries on business as the provider of a variety of computer consultancy services hardware and software for business including Wellcome Glaxo. At present it is currently engaged in developing custom built computer systems for both home and industry. In relation to industry, the Opponent's products include computer validation systems and software, appropriate for pharmaceutical plants and FDA regulatory approval. In addition, the Opponent is developing new computer technology which will enable home computers to be used as a direct musical interface. Considerable resource has been expended on these projects."

29. The above passage must be read in conjunction with the following from the opponents' statement of grounds:

"..... the Opponent has traded under the mark "Qtech" since mid-1998 for the provision of a variety of computer consultancy services to various members of the pharmaceutical industry in Scotland such as GlaxoWellcome (now GlaxoSmithKline)."

and

"Due to a downturn in business the Opponent is currently not trading. However, the Opponent is engaged in developing a novel knowledge-based software system (details of which are at this stage confidential). It is anticipated that, once this new system is fully developed, it will have a substantial market within the UK. The opponent intends to market this system under the mark "Qtech"."

30. Collectively, these statements appear to suggest that the opponents may have traded in computer consultancy services and have an intention to trade in certain other goods and/or services. The only evidence of any trade on their part is contained in Exhibits A1 to A8 but these are almost wholly uninformative as to the goods/services involved (largely as a result of having

key entries blanked out). Nor do they tell me whether the goods or services concerned fall within the scope of the specification of No. 2264351. I note too that the exhibits are mainly purchase orders addressed to Q-Tech Limited and do not make it clear whether the goods and services were offered under the Qtech mark. The purchase orders are in any case dated between 10 March 1998 and 5 May 1999. The applicants' mark was not devised until August 1999 and not used until September/October 1999. It seems, therefore, that there can have been no concurrent trade.

31. There is thus no evidence that the respective marks and goods/services have co-existed in circumstances which might suggest that my own assessment of the likelihood of confusion is without foundation. It follows that the opposition succeeds under Section 5(2)(b).

Costs

32. The opponents are entitled to a contribution towards their costs. I order the applicants to pay them the sum of £1000. 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 2nd day of June 2004

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