

O-028-04
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2278665
BY STEELCO LIMITED TO REGISTER
THE TRADE MARK STEELCO IN CLASS 20

AND

IN THE MATTER OF OPPOSITION No. 80542
BY STEELCASE INC.

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2278665
by Steelco Limited to register the Trade Mark STEELCO
in Class 20**

and

**IN THE MATTER OF Opposition No. 80542
by Steelcase Inc.**

BACKGROUND

1. On 22 August 2001 Steelco Limited applied to register the mark STEELCO in Class 20 for a specification of goods in Class 20 that reads:

“Office furniture; school furniture; chairs; stools; seating; desks and desk units; drawer units; desk pedestal units; desk links and returns; tables; work benches; partitions, screens and room dividers (furniture); blinds; filing cabinets; storage cabinets; storage cupboards; stationery cupboards; storage units; shelving; storage racks; magazine racks; bookcases; showcases; display stands and display boards; whiteboards; sign boards; bulletin boards; computer furniture; workstations; lockers; wardrobes; clothes hooks and pegs; coat hangers; coat and hat stands; waste baskets; bins; storage crates; containers, boxes and cases; office trolleys; towel dispensers; mirrors; picture frames; parts and fittings for the aforementioned goods.”

The application is numbered 2278665.

2. On 10 January 2002 Steelcase Inc. filed notice of opposition to this application. The opponents are a US corporation primarily in the furniture field. They claim to have a substantial European and UK operation. UK sales commenced at least as early as 1984. They are the proprietors of the following UK and CTM registration:

No.	Mark	Class	Specification
1228647 (UK)	STEELCASE	20	Chairs included in Class 20 incorporating steel structural members.
276972 (CTM)	STEELCASE	6	Accessories for chairs, desk trays, accessories for desks, filing trays, moveable room divider partitions and accessories therefor, stands, wastebaskets, sectional filing equipment, tabulating card files; all being made wholly or substantially

		20	of metal. Furniture; office furniture; namely bookcases, cabinets, chairs and accessories for chairs, computer furniture, credenzas, desk trays, desks and accessories for desks, filing cabinets and trays, lounge seating, moveable room divider partitions and accessories therefor, office work stations, shelves, stands, stools, systems furniture, tables, wardrobes, wastebaskets, and parts and fittings for any of the aforesaid goods.
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The opponents say that identical and/or similar goods are involved and that the marks are similar. Objection is taken as follows:

- (i) under Section 5(2)(b) having regard to the above registrations;
- (ii) under Section 5(4)(a) having regard to the opponents' use.

3. The applicants filed a counterstatement denying the above claims and putting the opponents to proof of their use. The counterstatement also contains what amounts to submissions in relation to similarity of goods and marks. I bear these points in mind.

4. Both sides ask for an award of costs in their favour.

5. Both sides filed evidence. The matter came to be heard on 19 January 2004 when the applicants were represented by Mr T M Gregory of T M Gregory & Co and the opponents by Mr M Vanhegan of Counsel instructed by Kilburn & Strode.

Opponents' evidence

6. The opponents filed three pieces of evidence. The first is an affidavit by Jon D Botsford, the Senior Vice President, Secretary and Chief Legal Officer of Steelcase Inc which he describes as the world's pre-eminent designer and manufacturer of products used to create high-performance work environments including office furniture, furniture systems, interior architectural products etc. Steelcase Inc has grown from a business formed in the United States in 1912. It is now an international business with worldwide turnover in recent years of between \$3 and 4 billion.

7. Information on the opponents' trade in the UK is given in a declaration by Jonathan Hooper, the Communications and Brand Manager of Steelcase Plc (which he refers to as Steelcase UK). Mr Hooper says that Steelcase UK's annual turnover has for the last 5 years averaged about £52

million per annum. The company trades under a number of brand names but some 90% of office furniture products have the word STEELCASE prominently displayed. It is said that the use of STEELCASE in the UK as a trade mark for office furniture goes back many years (precisely when is not clear). A pie chart is exhibited at JH2 showing Steelcase's market share in the UK for 2000. I note that they enjoyed a 9% share and were the leading named supplier. The source of the information is not explained.

8. The company has 20 distributors/dealers in major towns and cities throughout the UK (some 16 individual locations are mentioned). The mark is promoted through advertising, the UK sales force and through assistance to its UK distributors. In support of this Mr Hooper exhibits a selection of current leaflets and brochures (JH3) and a selection of advertisements (JH4) for STEELCASE office furniture products which have appeared in FMX, FX, Mix Interiors, Architects Journal, Office Equipment News and FMJ. These are all said to be specialist UK publications relevant to office designers, specifiers and purchasers of office furniture.

9. Mr Hooper says that Steelcase UK also promotes its STEELCASE office furniture products occasionally through trade shows and exhibitions such as Call Centre Solution Exhibition, IFMA, the RIBA Conference, Start Up and Telework Conference, and approximately quarterly through in-house seminars for up to 100 current and prospective customers. The company's distributors/dealers are also expected to advertise and promote STEELCASE products and are provided with materials, art work and so on to assist them in that, as well as some financial assistance, geared to sales success. There is also a substantial display set-up at the main UK offices in London.

10. Mr Hooper refers to the results of a market research exercise which indicated an unprompted 9% recall when asked to name an office furniture manufacturer and a 63% recognition rate when prompted. The survey was conducted in May 2000 and was directed at what are described as facility managers of furniture purchasers in over 1500 organisations across the UK.

11. High profile customers include Microsoft, Accenture, HBOS, PWC, Intel, Ford and IBM. However, Mr Hooper says that the customer base is not restricted to large companies. The company claims a considerable level of market penetration throughout the office furniture market. As a result of all this Mr Hooper believes that the name STEELCASE has become widely recognised in the UK as a trade mark in the general field of supply, installation, design and maintenance of office/commercial furniture and related products and services.

12. In anticipation, I assume, of a claim that the word steel is simply descriptive of the goods, Mr Hooper says that most office/commercial furniture has steel in it somewhere even if only nuts and bolts. Steel frames, supports and panelling are used in some office/commercial furniture. Despite that use of the word, "steel" is not commonly used to describe office furniture and the general term most used in his experience to describe the category of office furniture made predominantly from steel is "metal furniture". He goes on to say that the use of the word "case" is not common in the UK office furniture field. The usual word to use would be "frame" or "carcass". Finally he submits that it is common to use plural or possessive forms of trade marks. Some examples are given at JH5.

13. The final piece of evidence is a witness statement by Iain Alexander Stewart, a Trade Mark Assistant employed by Kilburn & Strode, the opponents' agents. He exhibits (IAS1) the result of a Google internet search based on 'steelco chairs'. He notes that the search engine displayed the question "Did you mean :steelcase chairs?". I should say that the search also identifies and displays various other 'steelco' hits.

Applicants' evidence

14. Four witness statements have been supplied in support of the applicants' case.

15. Roy Thomas Gunnett is the Managing Director of Steelco Ltd. He says that his company is closely associated with an Australian company, Steelco Office Furniture Pty Ltd. His company began to use the mark STEELCO in the UK in September 1998 in connection with office furniture produced by the Australian associate. Actual trading began in 1999. Turnover up to March 2002 is said to have been slightly over half a million pounds. Presumably only part of that amount would fall within the relevant period but no breakdown is given. The company specialises in office furniture such as seating, filing cabinets and storage and is developing an interest in school furniture. Mr Gunnett goes on to explain why he does not consider the opponents to be competitors and to comment on the differences between the respective businesses. He says he is aware that Steelcase is not the only company in this goods area using a 'STEEL' brand and cites STEELINE as an example. He also suggests that, despite Mr Hooper's claim, the word metal is not always used for steel furniture. The terms "steel storage" and "metal storage" are both used in the trade for steel-cased storage units for example.

16. The second witness statement is from Walter Bent of WB Office Equipment and Services. He says he has known STEELCASE for about 25 years and is of the impression that much of their trade is direct sales to larger customers rather than through independent dealers. He says they never appear in stationery catalogues. He has known STEELCO since 1999 and sells their chairs but is not aware of any confusion between the respective marks.

17. The third witness statement is from Timothy Mark Gregory, the applicants' trade mark agent. He exhibits the results of a pre-filing search which identified a number of STEEL- prefixed marks in respect of the goods at issue (TMG1). He also exhibits brochures he has received from furniture/office supplies companies (TMG2) to illustrate that the term 'steel' is used in trade in addition to 'metal' to describe office furniture.

18. The final witness statement is from Jonathan Banford a trainee trade mark and patent agent with TM Gregory & Co. He exhibits (JB1) the results of internet searches (an on-line version of the well known Kelly's business directories) looking for businesses having names beginning with STEEL- or similar prefixes and operating in the same line of business as the parties. I note this information but do not propose to record Mr Banford's summary in detail.

Opponents' evidence in reply

19. The opponents filed a further witness statement by Iain Alexander Stewart. He exhibits (IAS 1 to 4) the results of various searches undertaken in relation to Mr Bent's business and Companies House returns relating to Steelco Ltd. He exhibits (IAS 6-18) the results of searches conducted into the other STEEL- companies identified by Mr Banford. It confirms the limited value of searches of this kind. The final three exhibits are a copy of Steelcase UK's 2003 price list (IAS 19), a print out from the website of Rhayader Office Supplies as confirmation that 'STEELCO'S' (that is to say the possessive form) is normal and fair usage of the applied for mark (IAS 20), and extracts from the UK Trade Marks Register showing marks in Class 20 prefixed by the word STEEL (IAS 21).

20. That completes my review of the evidence.

SECTION 5(2)

21. Section 5(2) of the Act reads:

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

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

22. There is no dispute about the guiding principles that I must follow. They are to be found in the following cases from the European Court of Justice (ECJ) - *Sabel BV v Puma AG* [1998] R.P.C. 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 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

Comparison of goods

23. It is well established that likelihood of confusion is a matter of global appreciation having regard to the similarities between the marks and goods. There can, of course, be degrees of similarity but without some similarity between the respective sets of goods a Section 5(2) case does not get off the ground (see *Harding v Smilecare Limited* [2002] FSR 37).

24. Guidance on the approach to be adopted in comparing goods and services can be found in two main authorities. The first is *British Sugar Plc v James Robertson & Sons Ltd (TREAT)* [1996] RPC 281 at page 296. Adapted to the current case the test proposed by Mr Justice Jacob (as he then was) involved consideration of the following:

- (a) the uses of the respective goods or services;
- (b) the users of the respective goods or services;
- (c) the physical nature of the goods or services;
- (d) the trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, whether in practice they are respectively found or likely to be found on the same or different shelves; and
- (f) the extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods or services, for instance whether market research companies put the goods or services in the same or different sectors.

25. These factors were referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45 – 48. In its judgment, the ECJ stated at paragraph 23:

“23. 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 end users and their method of use and whether they are in competition with each other or are complementary.”

26. A number of other authorities have dealt with the proper approach to the meaning of particular terms. Terms are to be given their ordinary and natural meaning. In the *OFREX case* [1963] RPC 169 Pennycuik J said:

“What is said is that staples do not come within class 39 as an item of stationery In order to answer that question, the first step I think is to look at the ordinary meaning of the word “stationery”, which as defined in the Oxford English Dictionary is: “the articles sold by a stationer; writing materials, writing table appurtenances, etc”. I feel no doubt that staples are stationery, according to the ordinary meaning of the word”.

27. Mr Vanhegan also reminded me of the following passage from *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267:

“I should add that I see no reason to give the word “cosmetics” and “toilet preparations” or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

28. The need to have regard to the practical application of terms in specifications was also referred to in the *TREAT* case:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all, a trade mark specification is concerned with use in trade.”

29. Because the opponents’ CTM registration has a broader specification than their UK registration, consideration of this particular issue at the hearing was based on the former. For ease of reference I will set out below the respective Class 20 specifications:

Applicants’ goods	Opponents’ goods
Office furniture; school furniture; chairs; stools; seating; desks and desk units; drawer units; desk pedestal units; desk links and returns; tables; work benches; partitions, screens and room dividers (furniture); blinds; filing cabinets; storage cabinets; storage cupboards; stationery cupboards; storage units; shelving; storage racks; magazine racks; bookcases; showcases; display stands and display boards; whiteboards; sign boards; bulletin boards; computer furniture; workstations; lockers; wardrobes; clothes hooks and pegs; coat hangers; coat and hat stands; waste baskets; bins; storage crates; containers, boxes and cases; office trolleys; towel dispensers; mirrors; picture frames; parts and fittings for the aforementioned goods.	Furniture; office furniture; namely bookcases, cabinets, chairs and accessories for chairs, computer furniture, credenzas, desk trays, desk and accessories for desks, filing cabinets and trays, lounge seating, moveable room divider partitions and accessories therefore, office work stations, shelves, stands, stools, systems furniture, tables, wardrobes, wastebaskets, and parts and fittings for any of the aforesaid goods.

30. It is conceded that the lists contain some goods that are identical and that identical words are used to describe them (chairs and filing cabinets, for instance). Other specific items are contained within broader terms but are for practical purposes identical. Thus storage cabinets in the applicants’ specification are merely a sub-set of the general terms cabinets. Others of the applicants’ goods such as stools and seating must be very closely similar to chairs. In fact a large proportion of the applied for goods is either closely similar or at least similar to terms in the opponents’ specification. At the other extreme the opponents very properly concede that towel dispensers, mirrors, picture frames and possibly blinds are not similar to any of their own goods.

31. There may be a few items which are at the margins of similarity. This arises in part because the parties do not agree on the significance of “namely” in the first line of the opponents’ specification. Mr Vanhegan says that what follows this word is without prejudice to the generality of the broad terms that precede it. Mr Gregory says that it restricts the scope of what goes before. To the extent that I need to resolve the point, I believe Mr Gregory is correct. “Namely” is normally used to specify what is meant by the preceding terms. It should not be read as if it were ‘including’ or ‘particularly’ either of which would convey that what follows is exemplary but not exhaustive. The point is not, however, critical to the outcome of the case. In general terms the applicants’ specification is either identical or similar to a high degree to the

opponents'. No further resolution of the respective specifications or listings of similar goods (and degrees of similarity) is necessary at this point.

Distinctive character of the opponents' mark

32. Distinctive character may be either inherent or acquired, (*Sabel v Puma*, paragraph 24). The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)*). 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, the 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).

33. Mr Gregory submitted that the element STEEL is descriptive of the goods and that meant that -CASE was the distinctive and dominant component of the opponents' mark. The applicants have filed evidence to show that the word STEEL is used in the office furniture market in relation to goods made of steel or incorporating steel structural members etc. The word 'metal' is also used and may be rather more common not least perhaps because it allows some latitude in the choice of materials. However, even without evidence on the point I would not have found it at all surprising that manufacturers would want to use words such as steel or metal as they are simply descriptive terms.

34. Mr Hooper in his evidence for the opponents says that CASE is not common in the UK office furniture field, the usual words being 'frame' or 'carcass'. I accept that on the material available to me that this is indeed the position. I can see no reason why STEELCASE as a totality should be considered as anything other than a mark of at least average distinctive character even if it is used in relation to metal/steel furniture etc. Mr Vanhegan reminded me that his clients' CTM registration was not restricted as to materials. The goods concerned could equally, therefore, be made of wood, plastic or other materials (though even here the presence of STEEL- in the mark might simply be taken as indicating that the goods had steel frames or structural members). The element STEEL- may in those circumstances have no direct descriptive significance in relation to the goods but would still be being used in a similar commercial context (cf the Appointed Person's approach in *Fourneau de France*, O/240/02 in dealing with use of a descriptive term on commercially similar goods). Applied to wooden furniture, say, STEEL- does not seem to me to stand out as a strong element in its own right but I accept that that does not detract from the distinctive character of the mark STEELCASE as a whole.

35. So far, of course, I have only considered the inherent qualities of the opponents' marks. I go on to consider the opponents' use and whether it supports Mr Vanhegan's claim that STEELCASE enjoys an enhanced degree of distinctiveness through long and substantial use. There are clear indications in the evidence I have summarised above that the opponents have a

UK business of substantial size; that they are the market leader; that they enjoy a high degree of recognition in the market place; and that they have a prestigious customer list. Mr Gregory's skeleton argument challenged the opponents' claim and the evidence provided in substantiation thereof. Thus, for instance, he says the £52 million per annum turnover is not corroborated by Companies House returns and the identity and size of the 20 UK distributors is not given. That is so but the applicants have not previously sought to challenge this information or called for the opponents' witnesses to be cross-examined on the evidence. I cannot, therefore, lightly dismiss the claims made on this account.

36. Of rather greater significance is the criticism levelled at some of the supporting exhibits (JH3 for instance) which contain some material that appears to be after the relevant date and other items which are not as clearly linked to the UK market as they might be. I do not, however, accept that the brochures (JH3) are primarily supporting other (sub) brands as opposed to STEELCASE. Clearly sub brands are evident but the overriding and clear impression is that they form part of the STEELCASE portfolio of marks. STEELCASE is the housemark. It is the unifying feature on the front page of the brochures.

37. In *DUONEBS Trade Mark*, O/048/01 the Appointed Person said in relation to the reputation attaching to a mark as a result of use:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

38. There is some evidence that attempts to place the opponents' trade in context. Exhibit JH2 gives a market share pie chart showing Steelcase with 9% (the largest single share) and the next largest trader having 7%. The picture is of a fragmented industry where only a handful of players have more than 2 to 3% of the market and the 'other' category of smaller operators comprises 39%. The document supplying this information is from Steelcase. The basis for the figures and the nature of the market considered is not clear. Mr Vanhegan submitted that this represented the office furniture market as a whole and extrapolated the size of the market accordingly. This may be a reasonable basis on which to approach the matter but without knowing more about the source and reliability of the data underlying the market share chart I cannot be confident of the position. Too little explanation is offered for it to be accorded significant weight.

39. I have similar concerns about the reported results of the May 2000 survey which indicated a 9% unprompted and 63% prompted recognition when respondents were asked to name an office furniture manufacturer. Mr Gregory's skeleton argument criticised this evidence on the basis that no details have been supplied so it is not possible to say whether it accorded with the principles set out in *Imperial Group v Philip Morris Ltd* [1984] RPC 293. Furthermore he suggested that a 9% unprompted recall was “feeble for a purportedly pre-eminent manufacturer”. I accept the first of these criticisms. There is simply insufficient information on the

circumstances, context and questions asked to be able to place reliance on the results. Nor, of course, has the raw data (questionnaires or such like) been made available. That fundamental criticism undermines the usefulness of this part of the opponents' case. Had that not been the case I would have regarded a 63% prompted recognition rate as being in the opponents' favour and the 9% unprompted recall as not being against them given the fragmented nature of the marketplace.

40. There is a further aspect of the survey which leads me to a significant general criticism of the opponents' claim. This is that the market in which they claim recognition is undefined. The survey referred to above was conducted amongst "facility managers of furniture purchasers in over 1500 organisations of all sizes in the UK". I do not altogether understand the meaning of 'facility managers of furniture purchasers' but it suggests a rather specialised and informed audience rather than a true cross-section of all those who might be engaged in the process of distributing, dealing in and buying office furniture.

41. It does, however, accord with other parts of the opponents' evidence which suggest that the opponents target the premium end of the market by which I mean larger firms, office designers and specifiers etc. (see, for instance, paragraphs 7 and 11 of Mr Hooper's evidence) and may enjoy a particular reputation in that sector of the market. But that is in any case not the opponents' claim. Mr Hooper says that "our customer base is though by no means exclusively large companies and we have a considerable level [of] market penetration throughout the office furniture market".

42. The office furniture market will embrace all kinds of needs from the home office requirement for little more than a single desk and chair to companies and organisations of all sizes some of whom may be undertaking large scale purchases or buying complete furniture systems. Office furniture will no doubt reach the market by a variety of different routes depending on the segment of the market that is being targeted. To the extent that the opponents' claim is that their reputation extends throughout the market then I am unable to say that the evidence demonstrates this to be the case. I think it is possible that the mark STEELCASE does enjoy an enhanced status in the market area that is the principal target of their promotional activities. There may also be a trickle-down effect as Mr Vanhegan sought to argue. He rightly pointed out that Mr Bent, who has given evidence for the applicants, was well aware of STEELCASE. But I remain unconvinced that the case has been made with sufficient clarity and substantiated to a sufficient degree to satisfy me as to the precise nature and extent of the opponents' reputation across the market as a whole. If that is too sweeping a judgment then I believe their reputation is likely to be primarily at the top end of the market.

Comparison of marks

43. The guidance from the ECJ cases requires me to bear in mind that 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). 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). The average consumer 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 Schufabrik Meyer & Co GmbH v Klijsen Handel BV*, paragraph 27).

44. Mr Vanhegan submitted that the first 6 letters of the respective marks are identical and that accordingly there is a high degree of visual, aural and conceptual similarity. By the same token it is said that the only difference is in the suffix elements and that in normal and fair use STEELCO may be used in the genitive or plural form thus heightening aural and visual similarity. He also suggested that his clients' mark is an invented word and is not descriptive of the goods.

45. Mr Gregory's submission was that STEEL is an element that should not be capable of being monopolised by a single trader and that the suffixes –CO and –CASE have clear and distinct meanings –CO being an abbreviation for company and -CASE, in the context of furniture, implying a box or strong outer skin or surface. If, in the alternative, -CASE has no particular meaning it becomes, in his view, the dominant and distinctive element in the mark. He rejected the opponents' submission on plural or genitive use on the basis that this would only be in the sense of referring to the company rather than the trade mark. In any case he suggested that STEELCO's would produce a hard 'z' sound rather than the soft 's' sound of CASE.

46. Before turning to my own view of the marks I should comment briefly on the average consumer. The goods at issue are a wide range of office furniture items. Consumers will, therefore, include knowledgeable purchasers, specifiers, office designers etc. at one end of the market down to the sole trader or home worker with limited needs at the other end. It is likely to be a feature of the office furniture market that most purchases will be occasional ones. Many will involve at least moderate and sometimes considerable sums of money and for that reason will be the subject of a reasonable degree of care and attention in the selection process. There is little evidence as to how the purchasing process works. I would expect it to involve visual inspection of the goods at some point either through the medium of a catalogue, a visit to a website or an actual visit to an office furniture showroom or distributor/stockist. I note in this respect that the opponents use a mixture of magazine advertisements, brochures, a web-site and a display set-up at their main UK offices in London. Accordingly, whilst aural references and recommendations should not be discounted, I regard visual considerations to be of primary importance.

47. Although, as Mr Vanhegan pointed out, both marks share the same first six letters STEELC- this is not how the marks would naturally be seen by consumers. The word STEELCASE is very clearly composed of two familiar words. Combining the words does not in my view disguise the component elements. Mr Vanhegan reminded me that consumers do not pause to analyse marks or look for meanings. I accept that there are dangers in analyses of this kind. But that is not to say that dictionary words cease to be recognised at all simply because they appear in the context of a trade mark. STEELCO may either be seen as a wholly invented word or as a combination of STEEL and CO, the latter being the abbreviation for company.

48. The issue is not simply whether there are points of similarity between the marks but whether the respective marks are distinctively similar (*Torremar Trade Mark*, [2003] RPC 4). There is inevitably a degree of visual similarity arising from the common element STEEL but beyond the fact that STEEL is the first syllable, it is not an element that stands out or would be the dominant

focus of consumer attention within the context of the marks taken as wholes. In my view, therefore, the impact of the common element should not be overstated.

49. Aural considerations seem to me to be somewhat less important for the goods in question but the parties have conducted a lively argument as to the significance or otherwise of plural or possessive form usage. The point the opponents seek to make is that use of STEELCOs or STEELCO's would bring the respective marks rather closer together. There may be some force to the applicants' submission that the possessive form would be more likely to arise in the context of what would be use of the company name (for instance 'STEELCO's product range'). Reference to an individual product by brand name would be more likely to be, for instance, to a STEELCO chair rather than a STEELCO's chair. But it is a fine point of distinction. I am inclined to accept the opponents' submission that possessive or plural usage would turn the balance of the argument in their favour to a small extent at least. Against that it is a less likely form of use and, as the applicants point out, aurally there is a contrast between a hard and soft 's' sound. More importantly, I reiterate that I do not regard aural usage to carry anything like the same degree of importance as visual contact with the marks.

50. Conceptually, and giving full weight to the totality of the opponents' mark, it conveys the clear meaning inherent in the dictionary words from which it is made up (even though that meaning may not be of descriptive significance in relation to the goods). I am less clear as to whether the average consumer will regard STEELCO as truly invented or a combination of the word STEEL and the abbreviation for company. Either way I can see no conceptual similarity between the totalities. Furthermore I see no reason why the average consumer would be likely to accord particular weight to the first element STEEL or pay attention to that element without also having full regard for the whole of the marks in which that element occurs.

Likelihood of confusion

51. This is a matter of global appreciation taking account of all relevant factors (*Sabel v Puma*, paragraph 22). I have been presented with state of the register evidence showing the number of marks incorporating the element STEEL and the results of a Kelly on line search showing "STEEL-"companies recorded as trading in the general area of interest.

52. It has been said many times that state of the register material is of little assistance in determining what the position is in the marketplace. The Kelly's material is of rather greater potential relevance as it presumably reflects the fact (as a bare minimum) that the companies concerned are advertising their presence to consumers. To the extent that this material is intended to demonstrate that STEEL is used in the names or trading styles of companies that sell steel goods then it seems to me to be an unsurprising state of affairs. In so far as the evidence is intended to demonstrate that consumers have been educated to distinguish between STEEL-prefixed marks then I find it inconclusive. Certainly it does not in itself (and without more information) tell me anything about consumers' ability to distinguish between these particular marks.

53. The opponents place reliance on IAS1, the result of a Google search conducted against the words 'steelco chairs'. In particular they point to the fact that it produced the response "did you

mean steelcase chairs”. It is not clear why this message was thrown up as all the subsequent individual entries relate to ‘steelco’. Clearly, therefore, the search engine was able to identify and retrieve references to the input term. The answer may lie in the methods used by the search engine to conduct searches. Does it support the opponents’ claim that there is a likelihood of confusion? I do not believe it does. Internet searches notoriously retrieve a range of material of varying degrees of relevance to the intended purpose of the search. An analogy may be made with trade mark searches conducted either using the Registry’s database or those of commercial organisations. Such searches routinely produce marks that would not on any reasonable assessment be considered similar to the mark being searched against. A reasonable degree of circumspection and care can be expected to be exercised by the searcher or enquirer in interpreting the results. The Google search does not, therefore, seem to me to be something to which particular weight should be attached.

54. The position I have reached is that there are identical and closely similar goods in play; that there are certain similarities between the marks arising mainly from the first element; that the first element may be taken as alluding to a characteristic of certain types of goods (in which case less weight may be accorded to that element); that the specifications (save for the opponents’ UK registration) are not restricted as to material but that does not necessarily raise the distinctiveness of the element STEEL- to an appreciable extent; that nevertheless the opponents’ mark as a totality is of at least average distinctive character but has not been clearly shown to have an enhanced degree of distinctiveness through use or at least not across the whole spectrum of the office furniture market; that this is an area of trade where consumers of varying degrees of sophistication and knowledge can be expected to exercise a reasonable degree of care and attention when making their purchases; and finally that I regard visual contact with the goods/marks to be the most likely trading circumstance. The high point of the opponents’ case may be taken to be use of the marks on non-steel or metal products. The first element might in those circumstances carry a little more weight within the totality of the mark. Even so, making the best I can of the matter I am not persuaded that the combined effect of the above considerations (including the interdependency of similarities between the marks and identity/close similarity between the goods) is sufficient to hold that there is a likelihood of confusion. I do not believe that making due allowance for imperfect recollection causes me to come to a different view. This is particularly so as the opponents’ mark is clearly made up of two common dictionary words.

55. It was held in *Canon v MGM* that “the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically - linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive” (Section 5(2)(b) of the Act). The opponents point out that of the seventeen named manufacturers in the pie chart at JH2 only they have a name commencing with STEEL-. Would the applicants coming into the marketplace with the mark STEELCO give rise to the mistaken belief that they were in some way connected with the opponents? I can see no obvious reason why this should be the case. STEEL- is not in itself a particular distinctive element. The opponents use other (sub) brands but nothing that seems to me to encourage any expectation amongst consumers that STEELCO would be another of their brands. Furthermore, the word STEEL being no more than the name of a material is a weak basis for making assumptions about consumer expectation and reaction. The objection under Section 5(2)(b) fails accordingly.

SECTION 5(4)(a)

56. In his skeleton argument and in submissions at the hearing Mr Vanhegan, realistically, accepted that the decision under Section 5(2)(b) would be determinative of the opposition. That is also my view of the matter. I propose to say no more about this ground.

COSTS

57. The opposition has failed. The applicants are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £2000. 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 30th day of January 2004

M REYNOLDS
For the Registrar
the Comptroller-General